EXHIBIT 1

Transcript of the Deposition of:

Frank Thomas, III

Date: August 18, 2006

MACON COUNTY INVESTMENTS, INC, et al

Vs

SHERIFF DAVID WARREN

Case No. 3:06-CV-224-WKW

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A No, sir.
Q Is the proposed site where you propose to operate bingo located in the city town limits of Shorter?
A No, sir.
Q Okay. Now, you say title to the property is in you and it is not in Macon County Investment --
A Inc.
Q -- Inc. Okay. Thank you. I appreciate that.
A Correct. Yes, sir. For the third time, title is in my name personally.
Q Do you have a written contract from you to what you call an MCII?
A Correct. Yes, sir.
Q You have a written contract?
A Yes, sir.
Q May I see that contract?
A I do not have it with me.
Q Okay. There is a contract from you to MCII to purchase what?
A Don't hold me on the decimal points, but I

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believe it's 56 acres.
Q Is that the property that's located in the survey --
A Correct.
Q -- that's attached to the application of MCII?
A Yes, sir.
Q What's the date of that contract?
A Again, I do not have it with me.
Q In your best judgment, what's the date of it?
A It was in the year 2005.
Q 2005. Do you mind making a copy of that available to us?
A No, sir.
MR. GRAY: Counsel, do you have any objections?
MR. THOMAS: We are producing in the normal discovery process.
MR. GRAY: All right. We want you to produce it.
Q Was the contract executed on or before July of 2005?

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A Yes, sir.
Q Before or after?
A Yes, sir. Before, I'm sorry.
Q All right. Is the contract notarized?
A I don't recall.
Q What's the sale price of the property?
A $10 million dollars.
Q $10 million?
A Yes, sir.
Q So, you are proposing to sell this -- I think it was around 58 acres, more or less --
A I think it's 56, but the survey speaks for itself.
Q -- for $10 million dollars?
A Correct.
Q And what's the terms and condition of the sale when it's to be closed out? Well, is it an option, or is it a sale?
A Well, by definition I guess it is a binding contract, per sè, but the contract is not valid in the event that Macon County Investments is not allowed to move forward

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with their --
Q It's a binding contract.
A It's a binding contract contingent on Macon County Investments being approved as a qualified location.
Q Now, at the time you participated in the application of Reach One Teach One on behalf of, I take it, MCII, in that application, did you disclose the fact that title to this property was in you and that you had a sales agreement to MCII?
A I personally did not assemble the application. Attorney Greg Carr did. So, I cannot answer that question.
Q My question --
A I do not know.
Q -- was: Are you familiar with the application?
A I am, but I do not know if a copy of the contract is in the application.
Q If you would review that application, you could determine whether or not it was there.
A I feel certain that I could, yes, sir.

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Q And who did you buy that from?
A A.S. Coleman, Junior, Sid Coleman.
Q How much did you pay for that?
A It was bought incrementally, and I really can't give you a definite answer.
Q When did you buy it? In 200 --
A It was bought incrementally from 2002 to 2005.
Q And you still own it.
A Yes, sir.
Q Is there a mortgage on that one?
A Yes, sir.
Q Who do you --
A Federal Land Bank of Alabama.
Q Federal Land Bank of Alabama?
A Uh-huh (positive response).
Q How much is that mortgage?
A Five hundred thousand ($500,000) dollars, I believe.
Q Five hundred thousand ($500,000) dollars. Do you have a financial statement?
A Yes, sir.
Q Can you make that available to us?

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MR. THOMAS: We are going to object to that on the basis of relevancy.
Q Does MCII have a financial statement?
A No, sir.
Q Does it have a bank account?
A No, sir.
Q Does it own any assets?
A No, sir.
Q So, MCII has no assets at all?
A At this time, no, sir.
Q Does it have any liabilities?
A I guess it has liabilities in the amount of the money that I have invested yet have not asked for in return.
Q How much have you invested and not asked for in return?
A I haven't stopped to add it up, so I have a hard time.
Q Best judgment.
A Probably a million and a half.
Q A million and a half dollars that you have spent?
A Yes, sir, if not more.

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Q And you spent that for what purpose?
A To get to this table.
Q You spent that for MCII?
A Yes, sir.
Q But you didn't put the money in MCII --
A No, sir.
Q -- and MCII put it out. You have put the money out yourself?
A I started spending money probably in 2004 for the purpose of forming a bingo facility in Macon County, and MCI didn't form.
MR. THOMAS: You're not listening to the question.
THE WITNESS: Sorry.
MR. THOMAS: You have to answer his question.
Q So, MCII has never had a bank account, has it?
A No, sir.
Q It has never owned any real estate, has it?
A No, sir.
Q It has never owned any personal property, has it?

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A No, sir.
Q It has never owned any assets at all, has it?
A No, sir.
Q Now, who are the shareholders in MCII other than you?
A Greg Carr.
Q Is that the lawyer who prepared your papers?
A Correct.
Q Did he put any money in the corporation?
A No, sir.
Q What was the consideration for you taking back the shares of stock?
A Explain that question.
Q Well, you filed articles of incorporation for MCII, didn't you?
A (Nodding in the affirmative.)
Q And you took back stock.
A Yes, sir.
Q How much money did you pay the corporation for that stock? Isn't it a fact, Mr. Thomas, you didn't pay them anything?
A I've paid no cash to Macon County

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Investments, Incorporated.
Q But you took the stock back, but you didn't put the money in the corporation; isn't that right?
A I put no cash in Macon County Investments Incorporation.
Q Okay. And the same things is true with Mr. Carr. He's a share holder. He received stock. But he didn't put any money in the corporation either, did he?
A I can't answer for certain what Mr. Carr has or has not done. But I'd have to -- you would have to ask Mr. Carr that question.
Q Aren't you the president of the company?
A Yes, sir.
Q And didn't you say they don't have any assets?
A He's the treasurer, Mr. Carr is.
Q Yeah, but you said it doesn't have any assets. You know that.
A To my knowledge.
Q Okay. Then if he had put the money in there, you would have known about it,

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wouldn't you?
A I can't answer that definitely I would have known.
Q All right. But you do know no money has ever been in that corporation. No money is in the corporation now, and no money was in the corporation at the time the application was filed; isn't that correct?
A I would say that would be correct.
Q Thank you. Don't you have some outstanding judgments against you?
A Judgments against me?
Q Yes, sir.
A Not that I know of, no, sir.
Q You don't have any judgments?
A Not that I know of.
Q And you're sure you don't have any judgments?
A Not that I know of.
Q Is your name Frank Thomas, the Third?
A Yes, sir.
Q Do you know Brennon J. Bernard, Junior?
A No, sir.

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Q Do you know James Barganier?
A Yes, sir.
Q As a matter of fact, James Barganier is the -- Is he the architect or the proposed contractor for this facility?
A He is an architect.
Q And don't you have in the package of material that MCII has filed a statement from him in support of this application?
A Yes, sir.
Q And didn't he sue you in the Circuit Court?
A No, sir.
Q Okay. Okay. Are you a co-defendant in a case with him where David Milligan and Lisa Milland versus Frank Thomas?
A We were.
Q And isn't it a fact that there was a judgment of one hundred and five thousand, six hundred twelve dollars and ninety-seven ($105,612.97) obtained against you?
A That was correct.
Q And you just told me you didn't have a judgment outstanding, didn't you?

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A The judgment was paid. It's not outstanding.
Q It's not outstanding.
A No, sir.
MR. GRAY: All right. Mark that.
A Please mark that because the judgment was paid in full.
MR. THOMAS: You've already testified to that.
(At which time, the referred-to document was marked as Defendant's Exhibit No. 1 by the Reporter.)
MR. GRAY: I'm going to show it to you before I show it to him.
MR. THOMAS: Thank you.
Q Let me show you Defendant's Exhibit One and ask you whether or not that's a certificate of judgment in the case where you and Mr. Barganier were sued and there was a judgment rendered against you.
A It appears to me that it is, yes, sir.
MR. GRAY: We offer that as Defendant's

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A No, sir.
Q **Now, are you familiar, generally, with gambling, legal gambling in Macon County?**
A That's a tough question. I thought that I was, but I don't know if anyone is familiar with legal gambling in Macon County truly.
Q **So, is your answer you're not familiar with it?**
A I'm familiar with the rules and regulations in Macon County. But as far as the process, the auditing of such, I don't know if there's anyone who's familiar with that.
Q **Okay. Do you know whether or not there is a facility in Macon County where you can legally participate in parimutuel gambling?**
A Yes, sir, I do.
Q **And where is that?**
A It's at, I guess, Victoryland.
Q **You're familiar with Victoryland?**
A Yes, sir.
Q **You've been out there, or have you?**
A I went during college, but have -- probably not so welcome now. I did go back about --

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I'm finishing. I went about a year ago, maybe a year-and-a-half ago, and I walked through the offices at Victoryland and asked for information.
Q **My question is simply: Have you ever been to Victoryland?**
A Yes, sir.
Q **When was the first time you went to Victoryland in your best judgment?**
A Probably in 2000 -- excuse me -- 1994.
Q **And when is the last time you went to Victoryland?**
A I was in the parking lot the day before yesterday.
Q **In the parking lot?**
A Yes, sir.
Q **What were you doing in the parking lot?**
A Taking pictures.
Q **Pictures of what?**
A Of the GE profile temporary units that Victoryland is currently using for their gaming trailers.
Q **All right. Anything else?**

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A No, sir.
Q **Did you play any role at all in the passage of the law which permitted parimutuel gambling at Victoryland back in the '80s?**
A No, sir.
Q **Did you play any role at all in the passage of the proposed constitutional amendment that permits bingo in Macon County?**
A No, sir.
Q **Did you play any role in the -- in connection with the citizens voting on authorizing a constitutional amendment which permitted bingo in Macon County?**
A No, sir.
Q **When did you first become interested in becoming a bingo operator?**
A Late 2003 right after bingo passed.
Q **Late 2003?**
A Yes, sir.
Q **Why did you want to be a bingo operator?**
A Well, I had watched the traffic since I first purchased land in Macon County in the late -- I guess maybe the late '90s or early

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2000s, whenever I bought my first tract. And I had watched the traffic at Victoryland continue to decrease. And I attributed that to the coastal casinos and the casinos on the Mississippi state line. As I talked to Pebblin Warren on their property that same time, then bingo --
Q **Let me be sure that -- I thought my question was --**
A When did I first become interested in bingo.
Q **Yeah.**
A And I'm telling you.
Q **If you can tell me a date. I'm not interested in everything that happened around that date, I just want to --**
A Late 2003.
Q **Late 2003.**
A After -- bingo was ratified --
Q **After --**
A -- by the Macon County citizens.
Q **Okay. After bingo had been authorized?**
A Correct.
Q **Now, was that before bingo had actually**

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started or after bingo had started?
A I would say that I became interested after it had started.
Q Okay. And you saw the traffic increase, didn't you?
A Yes, sir.
Q It increased tremendously, didn't it, from what it had been when you say it went down and you attributed that to the casinos.
A I wouldn't say -- I saw a traffic increase.
Q All right. You saw a traffic increase. Okay. Did you see a traffic increase?
A At what point?
Q Did you see a traffic increase after bingo started?
A Yes, sir.
Q Did you go out there after bingo started to really see the operation itself?
A Within what time line?
Q About the time when you saw it increase.
A Did I go out as in did I go in -- I mean, clarify your question.
Q I just want to know did you go to the

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facility after they started operating bingo. If so, tell us the first time you went out.
A Early 2004.
Q Okay. Early 2004. And you -- Was that before or after you became interested in becoming an operator?
A It was after I became interested.
Q I notice you are a real entrepreneur, aren't you?
A I try to pay my bills.
Q And you like to make money.
A Yes, sir.
Q Isn't that right? And you thought they were making money from bingo at Victoryland, didn't you, with bingo?
A I assumed it was profitable, yes, sir.
Q And you wanted to get involved in the business because it's profitable; isn't that right?
A That's correct.
Q And that's why you got involved. And the reason you are interested in this whole thing is you want to make money out of

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bingo; isn't that correct?
A Not the sole reason, no, sir.
Q That is a reason; isn't it?
A It is a reason.
Q All right.
A Shall I elaborate on the other reasons?
Q No, sir. Your lawyer will let you do that. But the driving force for you from all your testimony has been money and earning money; isn't that correct?
A That's not correct.
Q All right.
A I got involved --
Q I don't have a question pending.
A Okay.
Q After you became interested in bingo, and after you became -- And you say you became interested in becoming an operator of bingo in early 2004; is that right?
A Correct.
Q What did you do in early 2004 -- When did you decide that you were going to try to become an operator of a bingo facility in

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Macon County?
A The minute I saw the traffic increase at Victoryland in late 2003, early 2004.
Q Okay. Why did you want to be an operator?
A I felt it could be profitable, and I felt I could help Macon County.
Q Now, you knew that Macon County Greyhound Park was a facility where bingo was being operated, didn't you?
A At what point?
Q After they -- after the bill passed. After constitutional amendment had been approved and you said the traffic started increasing when bingo started.
A Well, I didn't know that it was going to be a bingo facility after the constitutional amendment was approved. I did know after the traffic started, which was after, apparently, Victoryland became the only qualified location at that point.
Q Did you ever talk to Mr. McGregor about the possibility of becoming an operator or what he had done in order to become an operator

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or what Victoryland had done in order to become an operator?
A I spoke to him one time at the beach.
Q About becoming an operator? That's what my question is.
A I believe that we discussed another institution that was working to become an operator, and I believe I expressed my interest to become an operator.
Q You expressed an interest to Mr. Milton McGregor to become an operator.
A I don't know if I would have defined it as an operator. I feel that I expressed my interest in bingo in Macon County.
Q Interest in bingo.
A Yes, sir.
Q And when was that?
A Summer of 2004.
Q Summer of 2004. And where was this?
A In Orange Beach.
Q Where in Orange Beach?
A At the Flora-Bama.
Q At the --

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A Flora-Bama.
Q What is the Flora-Bama?
A It's a restaurant, bar, lounge.
Q Was this just a casual conversation, or how did it develop?
A I've known Mr. McGregor for probably 20 years. I went to school with his daughters at Montgomery Academy. And I've always spoken with --
Q My question is: Was this just a casual -- where you just accidentally met there? He was there, and you were there?
A That's correct.
Q It wasn't anything planned.
A No, sir.
Q You never sought an appointment with him and discussed with him about the possibility of becoming an operator of bingo in Macon County in that type setting, did you?
A The rules didn't instruct me to talk to Milton McGregor about becoming an operator in Macon County. I have not gone to Mr. McGregor to discuss about being an

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operator in Macon County, no, sir.
Q Is that a no?
A No.
Q Okay. That's all I was asking.
MR. THOMAS: Just listen to his question, and just give him his answer. That's all you have to do.
Q Well, speaking of the rules, you were familiar with -- When did you first become familiar with the rules after bingo started the first time?
A Mid-2004.
Q 2004.
A Yes, sir.
Q Did you in mid-2004 file an application --
A No, sir.
Q -- either as a charity to operate bingo?
A No, sir.
Q Did you file an application or with a charity to become an operator of a bingo facility?
A No, sir.

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Q You could have done that if you had wanted it, could you not, in mid-'04?
A I would assume I could, yes, sir. I could have.
Q All right. Nothing in the rules and regulations which would have prevented you from doing what you did in '05 and '04 if you had elected to do it; isn't that correct?
A I just don't feel that I was ready personally at that time, no, sir. There's nothing in the rules to prevent me from filing an application.
Q You weren't ready then. So, you waited until you got ready. And I take it you thought you were ready when you filed -- or was a part of filing the application in July of 2005.
A No, sir, that's not true.
Q You didn't think you were ready then?
A I knew I was ready. I thought I was ready a lot sooner.
Q Now, are you -- I've been asking you some

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questions about your interests. When did MCII become interested in being an operator of bingo?
A Well, MCII operated as a de facto corporation for late 2004 and early 2005. So, in that sense, I feel that Macon County Investments became interested in mid-2004.
Q What do you mean the de facto corporation?
A It was not yet formed as a formal corporation.
Q So, it was formed in your mind; is that what you are telling me and telling the Court?
A Correct.
Q You had in mind forming a corporation. And when did you have that in mind initially the first time?
A I never had the intent to form it personally, so --
Q I'm just asking you when.
A Late 2003, early 2004.
Q Okay. So, that would have been about the same time you saw the traffic increasing at Victoryland after bingo had started.

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A It would have been after.
Q Okay. There was nothing, Mr. Thomas, was there, to prevent you from filing an application to participate in bingo at any point from the time that the referendum was passed up until the time you filed an application --
A Yes, sir.
Q -- with MCII?
A There was.
Q What was there to prohibit you from doing it, from filing it?
A There was no application.
Q What do you mean there was no application?
A There was no paperwork. There was no formal application to fill out.
Q You're saying that the Sheriff's Office did not have applications before July of 2005?
A I'm not saying they didn't have them before July of 2005, but I'm not saying that they had them during '04 or early '05.
Q Do you know whether they did?
A The Sheriff's Office would not give me one.

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Q The Sheriff's Office would not give you an application?
A Correct.
Q I'll get to that in a minute.
A Okay.
Q Who at the Sheriff's Office wouldn't give you an application?
A David Warren.
Q When did you ask him for an application and he wouldn't give you one? Give me the date.
A It would be after January and before July of 2005.
Q Did you ask David Warren for an application to operate bingo in 2003?
A No, sir.
Q Did you ask David Warren for an application to operate bingo in 2004?
A No, sir.
Q Did you ask David Warren to give you an application to operate bingo in January of 2005?
A No, sir.
Q In January of 2006 -- or February of 2005,

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did you ask him for an application?
A Me personally, no, sir.
Q Did you ask him for an application in April of 2005?
A No, sir.
Q In March of 2005?
A No, sir.
Q When did you ask him for an application, and he denied it?
A It would have been late April or early May. So, your April question, I can't define the exact date, but late April or early May.
Q And where was it you asked him for an application, and he denied -- he refused to give you one? Where was he?
A I believe it was on the telephone.
Q On the telephone?
A Yes, sir.
Q You asked him on the telephone to give me an application, and he said, no, I won't give you one. Is that what happened?
A No, sir.
Q Did you call him or he call you?

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A I don't recall. I feel I probably called him.
Q You called him.
A He may have returned my call.
Q Did you call him at home or call him at the office?
A It would either have been his mobile phone, at home or at the office.
Q You asked him for an application, and he said, I'm not going to give you one. Is that the way he did it?
A I believe there was no application for a qualified location was the problem. It was not a charity application.
Q Did you ask him for an application period?
A Yes, sir.
Q When did you ask him the first time for an application?
A It would have been April or May.
Q Of what?
A Of '05.
Q And what kind of application did you ask him for?

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A A license for -- an application for a Class B bingo license as well as a qualified location.
Q And he would not give you an application for a Class B application. He refused to give it to you over the phone.
A I don't know that he refused over the phone. I believe it was the existence of the qualified location application that was the problem.
Q So, when you say he refused to give you an application, the Sheriff never refused to give you an application, did he?
A I guess he could not produce an application. So, to say he said, "Mr. Thomas, I refuse you the opportunity of an application personally," no, he did not.
Q Did you ever go to the Sheriff's Office and request an application?
A Yes, sir.
Q When?
A April, May, June.
Q Are you saying --

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A Several times.
Q Well, let's take the first time. Let's take them one by one. In April, you went to the Sheriff's Office; is that right?
A It may have been May or late April, but, yes, sir, in the -- in the late spring of 2005.
Q Late spring of 2005. And you are saying -- When you said late spring, what months are you talking about?
A April, May.
Q April or May. Who did you specifically ask at the Sheriff's Office for an application?
A The lady at -- when you walk in the door to your immediate right, if you continue walking forward, she would be at approximately five o'clock.
Q And what did you say to this lady?
A I asked for an application for charity bingo in Macon County.
Q And what did she say?
A That she couldn't give me anything.
Q And what did you say?

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A Why?
Q And what did she say?
A That she couldn't give me anything.
Q Did she say why?
A No, sir.
Q Do you know her name?
A There's a lady by the name of Mary that's there, but I don't know if that's her. There are two women that work in the front office, and I just know one of their names is Mary.
Q Well, were you talking to Mary?
A I don't recall.
Q Did Mary refuse to give you an application?
A I don't recall which lady it was.
Q Did you ask him for a copy of the rules and regulations?
A Yes, sir.
Q Did they give you a copy?
A No, sir.
Q What did they tell you?
A They would never give me anything when I went to the Macon County Sheriff's Office.

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Q Who is he?
A He is the head of a charity Reach One Teach One of America and a friend of mine.
Q What relationship -- What relationship does he hold with Teach One Reach One (sic)?
A He's the head of the charity.
Q When did you first meet him?
A In the spring of 2005.
Q In the spring of 2005.
A Yes, sir.
Q What month?
A It would have been the late spring, early summer, the same months: April, May, June of 2005.
Q Did you say April was the time you met him?
A No, sir. I said the late spring, early summer.
Q Give me one of the months, please, sir.
A I can't define the exact month.
MR. WALKER: May.
Q Mr. Walker said "May." Would you accept his answer as the date that he met you?
A I can't guarantee that it was May. It was

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late spring, early summer of 2005.
Q Would your best judgment be it was April or May of 2005?
A I can't make a best judgment.
Q Where did you meet him?
A At Greg Carr's office.
Q Did you know he was going to be there?
A I would think so, yes, sir.
Q How did you know he was going to be there?
A I spoke with Greg Carr.
Q And what did Greg Carr tell you?
A I can't recall the conversation. It was over a year ago.
Q Do you remember the conversation that you had in Mr. Carr's office with Mr. Walker?
A Not specifically, no, sir.
Q You don't remember the conversation?
A I remember the conversation, correct. Yes.
Q What did you-all talk about?
A Basically talked about Reach One Teach One's relationship in coming on board with Macon County Investments with us, with me, to attempt to open a charity bingo facility in

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Macon County.
Q Did you meet Mr. Walker through Mr. Carr?
A The first time I saw Reverend Walker it was with Mr. Carr, yes.
Q Is that the way you met him?
A Reverend Walker was referred to us through Representative, and at that point, Mayor Johnny Ford of Tuskegee.
Q All right. Johnny Ford --
A Yes, sir.
Q -- did what now?
A I approached an individual by the name of James Lane. And, again, if you want the story I'll tell it. If you want me to answer yes or no, I will.
Q I want you to tell me the story.
A I was looking to sign up a qualified charity.
Q You were looking for a qualified charity.
A To open charity bingo in Macon County.
Q When was this?
A Early 2005.
Q Early 2005. At this point, you didn't have

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a charity.
A No, sir.
Q You were looking for a charity.
A Yes, sir.
Q And who did you talk with?
A I met with James D. Lane.
Q Who is James D. Lane?
A Actually, let me correct myself. The first meeting with Mr. Jim Lane would have been probably in November or December of 2004.
Q Who is he?
A He's an individual in Montgomery.
Q Is he white or black?
A He's Caucasian.
Q Okay. What relation did he have with Macon County?
A He's got a lot of money, and I thought he could help me out.
Q What does he do?
A He's in the insurance business.
Q What did you go to Mr. Lane and ask him to do?
A To help me get some charities in Macon

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County, to help me establish a charitable bingo facility, possibility finance it and possibility build a hotel.
Q And what did he say?
A Okay.
Q And then what did you do?
A We had several meetings with him.
Q What "we"?
A Greg Carr, myself, Tom DeBray and Johnny Ford on one meeting.
Q Tom DeBray?
A DeBray.
Q DeBray. And Johnny Ford?
A Yes, sir.
Q Now, where was that meeting?
A Mr. Lane's office.
Q Where is Mr. Lane's office?
A I think it's Gunn Road, I believe, close to Eastdale Mall, Montgomery.
Q Gunn Road?
A Yes, sir.
Q How did Mr. Ford get there, get to the meeting?

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A You'd have to ask Mr. Ford.
Q I mean, did you ask him to attend the meeting?
A No, sir.
Q Did Mr. Greg -- is that his name?
MR. THOMAS: Mr. Carr.
Q Mr. Carr ask him to attend?
A I don't think that he did, no, sir.
Q Do you think Mr. Lane asked him? That was the finances; is that right, Mr. Lane?
A I would say that either Mr. Lane or Mr. Tom DeBray asked Mayor Ford to attend the meeting.
Q Now, who is Tom DeBray?
A An attorney in Montgomery.
Q Is he or one of those persons connected with him MCII?
A At this time, no, sir.
Q Was he at that time?
A I hired Mr. DeBray to help me find a charity. So, he was connected at that time, yes, sir.
Q You hired him to help you find a charity.

[95]

A Uh-huh (positive response).
Q Okay. Now, Mr. DeBray lives where in Montgomery?
A I don't know.
Q Is his office in Montgomery?
A I don't know.
Q Where did you hire him?
A At Mr. Lane's office on Gunn Road in Montgomery.
Q So, you didn't go to -- He's an attorney?
A Yes, sir.
Q But you didn't go to his office?
A No, sir.
Q You went to Mr. Lane's office?
A Correct.
Q And it was in his office that you hired Mr. DeBray for the purpose of getting him to obtain some charities in Macon County -- or a charity in Macon County. Were you looking for one charity or more than one?
A I wouldn't say I was solely looking for one charity. So, more than one possibly.
Q Possibly.

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A Yes, sir.
Q You told who that you were looking for charities in Macon County?
A At which point?
Q At this meeting. I thought you were telling me about -- You were telling me about a meeting in Mr. Lane's office with Mr. DeBray, Johnny Ford, Mr. Carr, and you; is that right?
A That's correct.
Q Who else was there?
A That's it, best I can recall.
Q And when was that meeting?
A I don't recall. I would have to look back at my checks.
Q In your best judgment.
A Late 2004.
Q Late 2004. Now, who called that meeting?
A Mr. Jim Lane, James Lane.
Q And you say you retained Mr. DeBray at that time.
A I don't think I actually retained him in that meeting, no, sir.

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Q Tell us the conversation that took place in that meeting.
MR. THOMAS: If I may add, since he's on the record saying that Tom DeBray was a lawyer, I just want to say to you, you do not have to reveal to anyone what you said or what your lawyer said to you. Do you understand that?
THE WITNESS: Yes, sir.
MR. THOMAS: So, in the context of that, try the best you can to answer his question.
Q You also said that Mr. DeBray was in that meeting in the presence of Johnny Ford; is that right?
A I can't speak for certain if Mr. DeBray was in the meeting with Johnny Ford. It may have been Greg Carr, myself, Mr. Lane, and Johnny Ford.
Q So, now you're saying that Mr. DeBray was not in the meeting.
A We had several meetings.

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Q I'm talking about the first -- the first one that you had Johnny Ford in the meeting.
A We only had one meeting with Johnny Ford.
Q All right. And who was in that meeting?
A I want to say it was me, Mr. Carr, Mr. Lane and Mayor Ford.
Q All right. So, Mr. DeBray was not in that meeting.
A No, sir.
Q All right. Well, then go ahead and tell us what took place in that meeting.
A We sat down at Mr. Lane's table. Mr. Lane introduced me to the Mayor. The Mayor probably knew my name from being fairly active in Macon County over the past X amount of years. Expressed what I was trying to do. Expressed that he wanted to build -- Mr. Lane wanted to build a hotel adjacent to my facility.
Q Hotel adjacent to your facility? What facility you had?
A The facility we were discussing building in Macon County.

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Q You didn't have a facility.
A I didn't say I did have a facility.
Q I'm sorry.
A We discussed that he wanted to build a hotel next to my facility.
Q You mean, next to the land that you own in Macon County. Because you don't have a --
A Well, it actually would have been on land that I owned in Macon County.
Q Okay. But you didn't have a facility then in Macon County to operate bingo, did you?
A No, sir.
Q And you don't have a facility now to operate bingo in Macon County, do you?
A I'm not foolish enough to spend $15 million dollars.
Q I'm just asking you: Do you have it?
A No, sir.
Q MCII does not have a facility built now in Macon County to operate bingo, does it?
A No, sir.
Q All right. Now, go ahead and tell us about the conversation.

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A If I recall, Mr. Lane talked to the Mayor and told him what we wanted to do. And as the offer of the legislation, I felt like it would be a valuable conversation to have. The Mayor said he was for competition. He endorsed our project and wanted to see it happen. The Mayor furnished Mr. Tom DeBray with a black book with a list of a lot of charities in it. Mr. DeBray conducted --
Q Hold on one minute. You said the Mayor supplied him with a black book?
A Yes, sir.
Q Did you see the book?
A I have the book, yes, sir.
Q You have the book.
A Not with me.
Q Okay. All right. This is a book that the Mayor gave you?
A No, sir.
Q Who gave you the book?
A Mr. Lane.
Q The black book Mr. Lane gave you.
A Correct.

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Q And you still have that book. And what did that book have in it?
A A list of some perspective charities.
Q And as best you recall, give us the name of some of the perspective charities that are in there.
A I have no idea.
Q Did you ever look in it?
A Yes, sir.
Q Did you read them?
A Not enough to really remember them heavily.
Q And I think you said earlier that Johnny Ford furnished you that book because Mr. Lane would not have had the list.
A Not to me. Mr. Ford furnished the book to Mr. DeBray.
Q Okay. Mr. Ford furnished --
A Mayor Ford.
Q -- the black book to Mr. --
A Tom DeBray. Attorney Tom DeBray.
Q -- to Attorney Tom DeBray.
A DeBray.
Q DeBray, in that meeting?

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A No, sir.
Q What meeting did Mr. Ford give the book to Mr. DeBray?
A I would assume that was a meeting that I was not in between them. They had several more meetings.
Q Who brought the book to the meeting?
A To which meeting?
Q The meeting you're testifying about.
A The book was not brought to the initial meeting when it was myself -- Mr. DeBray was not in the initial meeting or the only meeting that I had with the current Mayor Johnny Ford.
Q When you had the meeting with Johnny Ford, did he have the black book with him?
A No, sir.
Q Did he tell you he had a black book?
A No, sir.
Q When did you first see the black book?
A A week or two after the meeting.
Q And who did you see with the black book?
A Mr. Jim Lane and Attorney Tom DeBray.

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Q And that was not when Johnny Ford was there.
A No, sir.
Q Did they tell you where they got the black book from?
A The charities? Yes, sir, the book of charities was from Attorney -- excuse me -- from current Mayor Johnny Ford.
Q And you understood that Mayor Johnny Ford gave the black book to whom?
A Either Tom DeBray or Jim Lane.
Q And they, either one of them, gave the black book to you.
A Yes, sir.
Q And you have the black book now.
A Attorney Carr has the black book, I'm certain, in his office.
Q All right. But it's your book. It's under your control.
A It's of no significance to me really now, so I don't know. I feel that I can get it.
Q Okay. You can get it. All right. Does MCII have it?
A No, sir.

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Q But you had the book so that MCII could be the operator for one of the charities listed in the book you were hoping.
A Yes, sir.
Q Isn't that correct?
A Yes, sir.
Q All right. Go ahead and tell us about -- What did Johnny Ford say in that meeting?
A He said that he was for competition, that competition is good, that Macon County needs new investment, that Macon County needs growth.
Q And I think you said that he told you about Mr. Walker. Johnny Ford told you about Mr. Walker and about his Reach One Teach One.
A No, sir.
Q You didn't tell me that?
A No, sir. I don't think I told you that. It's not the truth.
Q Well, tell us -- Going back now, tell us who told you about Mr. Walker.
A Greg Carr.

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Q Okay. And Greg Carr arranged with you, I take it, and told you at a certain time Mr. Walker was going to be in his office.
A Correct.
Q And you met Mr. Walker in Mr. Carr's office in -- you said April or May, and Mr. Walker said May of '05; is that right?
A Correct.
Q Okay. I'm not trying to -- I don't know these things.
A I understand.
Q I'm just trying to find the answers. That's all.
A Sure.
Q Tell us what you-all talked about.
A Showed him renderings of my to-be-built facility, maps of the property. Told him about what we were, who we are. Told him to check me out if he wished. Told him to check Attorney Carr out if he wished. Had an all-around good first meeting. We had discussed several things on the telephone previous to that. Greg Carr talked to him

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more than I did.
Q Now, you had talked to Mr. Walker on the phone before this meeting?
A Yes, sir.
Q And when was that?
A It would have been the spring of '05.
Q About how much time before you met him?
A I mean, I would say from February to May, somewhere in there. It would have been several conversations that we had.
Q When was the first conversation you had with Mr. Walker?
A I don't recall the date.
Q Would it have been as early as February?
A I would say probably late February to May.
Q How did you know to talk to Mr. Walker over the telephone?
A Because I believe that Greg Carr had contacted him previously.
Q Do you know how Greg knew about Mr. Walker?
A I'm pretty certain that Mr. Walker's charities was one of the charities listed in the book, the black book.

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Q Did you know at that time that Mr. Walker was living in Florida?
A At which time?
Q The first time you talked with him.
A I believe he told me that he shared residence, lived in Florida some and Alabama some.
Q And when did he tell you that?
A I would imagine it would have been in the first conversation.
Q In the first conversation.
A Yes, sir.
Q And that was in about February of 2005.
A No, sir. It would be between February and May of 2005.
Q February and May of 2005. Now, what did you-all talk about over the telephone?
A I'm certain that the first part was simply small talk trying to make introductions. I'm sure I told him of my struggles. Told him of my problems. Told him of my fears. Told him of threats that I had been made aware of. Told him what he was getting into

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if he teamed up with me. Told him who to be afraid of and what to be afraid of.
Q Who did you tell him to be afraid of?
A The same people that David Warren had told me to be afraid of.
Q I'm just asking --
A Milton McGregor.
Q You told Mr. Walker to be -- to be what, now?
A To watch what he does if he comes with me.
Q To watch what he does?
A Yes, sir. To beware.
Q Beware of what?
A Milton McGregor.
Q Why do you want him to be aware of Milton McGregor?
A Because the Sheriff had told me that people get killed over things like this.
Q The Sheriff told you?
A Yes, sir.
Q Did you interpret the Sheriff saying that is that Milton McGregor was having folks killed? Did you gather that from his talk

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with you?
A The Sheriff by no means threatened at all. The Sheriff and I had some really good personal conversations.
Q **My conversation was -- Did you interpret from something the Sheriff said that the Sheriff was implying that Milton McGregor was having people killed?**
A Was having people killed? No, sir.
Q **All right. But he did -- You say the Sheriff said to you to be aware of Milton McGregor.**
A Not to be aware, to beware.
Q **To beware of Milton McGregor.**
A Yes, sir.
Q **What did you understand the Sheriff to say? What did you understand him to mean? What did you understand him to mean?**
MR. THOMAS: Answer his question.
A May I curse?
MR. THOMAS: Answer his question as truthfully as you can.
Q **I just want to know --**

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A He said, "I hate that mother fucker, Milton McGregor."
Q **Who said that?**
A Sheriff David Warren.
Q **Sheriff David Warren --**
A Yes, sir.
Q **-- told you he hated that what you said.**
A Yes, sir.
Q **And what I will not say.**
A Excuse me, Reverend and Ma'am.
Q **And when did David Warren tell you that?**
A It would have been in the spring on one of two meetings at his personal residence of 2005. He told me he was being -- The Sheriff told me he was being followed, that every time he spoke with me, Bobby Segall, or Joe Turnham, that Milton McGregor called him, that Milton put him here, that he did not want to be here.
Q **He said Milton put him where?**
A Well, he said here referring to -- I would assume he would say in the position of the sole propagator and regulator of the rules

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in Macon County, and hugged me both times when I left his house.
Q **The Sheriff did?**
A Yes, sir.
Q **And when was that?**
A There were two meetings at his house. I can't remember the specific dates. I have a record of dates because I spoke with Bobby Segall, my attorney, who actually has a record of the dates. But in my head, I can't tell you specifically.
Q **Do you have a calendar?**
A With me?
Q **No. A calendar that would indicate the dates.**
A I have the bills from Bobby Segall, correct.
Q **You have the bills.**
A Yes, sir.
Q **For services that he rendered?**
A Yes, sir.
Q **What services did he render?**
A He was hired in either January or February as an attorney.

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Q **To do what?**
A To help me get my facility built, bingo in Macon County.
Q **And you already had hired Mr. Gregory -- Mr. Carr.**
A Greg Carr never got paid, but, yes, sir.
Q **And you hired Mr. DeBray.**
A Yes, sir.
Q **And you're saying that the Sheriff hugged you in his house?**
A No, sir, outside of his house.
Q **Outside -- at his house.**
A Yes, sir.
Q **I'm not trying to -- I'm just trying to be sure I understand.**
A Well, I know how attorneys are, and I'm trying to keep my answers straight.
Q **All right. He hugged you, embraced you, told you to beware of McGregor because he put him in that position. And he wouldn't give you an application to make a license.**
A No, sir.
Q **That's highly inconsistent, isn't it?**

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A More or less just generally introductions, handshakes, meeting each other.
Q Did you reach an agreement with him with respect to serving as an operator for a charity and for his group to apply for a license? Did you reach that understanding in that meeting?
A I felt like we had a mutual agreement.
Q You had an agreement for what?
A That he would come on board with us to move forward.
Q With what?
A With an effort to go for a charity bingo facility in Macon County.
Q Specifically what was Mr. Walker and his group supposed to do?
A Specifically?
Q Yes.
A They are supposed to be the Class B license holder.
Q Well, was he and his group going to be the one to file the application?
A Restate that question.

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Q I'm just trying to find out who was going to file the application for the license.
A They were going to be the charity for the Class B license, but who was going to file it, I'm not sure at that point physically.
Q Well, let me ask this: They would be the applicant.
A Correct.
Q Reach One Teach One.
A Yes, sir.
Q And did you reach that agreement with Mr. Walker in that first meeting?
A I feel that we had a mutual agreement in the first meeting.
Q What was his charity going to get as a result of -- from your organization as a result of getting the license money wise?
A At least what Victoryland was paying.
Q What was Victoryland paying? What did you tell him is what I'm asking you.
A We were not certain.
Q Did you have an understanding on the amount of money?

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A That first meeting I would say, no, sir.
Q Did you have -- At any time, did you reach an understanding about an amount of money?
A At any time?
Q Yes.
A Yes, sir.
Q What is the understanding between MCII and Reach One Teach One about what Reach One Teach One will get if it gets a license and if MCII is the operator?
A It was fifteen, five.
Q I don't know what you mean, fifteen, five.
A Fifteen thousand, five hundred ($15,500) dollars to Reach One Teach One, or if the Sheriff prescribed anything any differently for a minimum or standard charity payment that would be the charity payment, or it could be more in the event that we agreed to raise it.
Q Do you have that in writing?
A I don't know.
Q You don't know? Did you ever reduce to writing your agreement with Teach One Reach

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One -- Reach One Teach One?
A Yes, sir.
Q What is that agreement?
A Greg Carr would have that agreement. I don't have that agreement.
Q Is that agreement a part of your application?
A I don't know.
Q You don't know whether it is or not?
A No, sir.
Q Okay. Now, you had a lot of -- you had this conversation. Did you make a tape-recording of any of these conversations?
A No.
Q Did you make any other -- Did you make a tape-recording of the conversations you had with the Mayor, Mr. Lane, Mr. DeBray and yourself?
A No.
Q Did you make a tape-recording of the conversation you had or any of the conversations you had with you and Mr. Walker?

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A No.
Q Did you make a tape of any of the conversations you had with you and the Sheriff?
A No.
Q Did you make a tape of any conversation you had with anybody dealing with or in connection with bingo?
A No.
Q Now, you did not know Mr. Walker before you met him in Mr. Carr's office?
A No.
Q Okay. Now, let me go back and ask you about the Sheriff. When was the first time -- Now, you sold the Sheriff some land. You don't claim that he didn't pay you for the land, do you?
A He paid.
Q He paid. And you don't claim that you gave him the land in consideration for which he was going to give you a license, did you?
A No, sir.
Q As a matter of fact, he bought the land

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before bingo had been approved.
A Correct.
Q Okay. When was the first conversation you had with the Sheriff concerning bingo?
A Mid spring 2005.
Q Okay. Mid spring.
A Early -- I would say mid spring 2005.
Q And when you said mid spring 2005, I think earlier you told us you were talking about April or May. Well, just tell us what you mean by that.
A Between January and May of 2005.
Q Between January and May.
A Yes, sir.
Q Would the first conversation you had with the Sheriff be closer to May or closer to January?
A I don't know.
Q You don't know?
A No, sir.
Q Was it warm, or was it cold?
A I don't remember.
Q Or was it hot? Don't remember.

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A I would say closer to January than closer to May.
Q And where did that conversation occur? Now, this is the first conversation you had with him in the issue about bingo.
A It would have been on the phone.
Q You called him; is that right?
A I would think so.
Q What did you say when you called the Sheriff in the first conversation about bingo?
A I can't recall exactly what I would have said. I didn't want to press the Sheriff the issue of bingo.
Q All right. This is the first conversation, now. I'm not talking about later ones.
A Yes, sir.
Q If you can just tell us the essence of that first conversation.
A I can't really remember. I hired Joe Turnham and Bobby Segall to talk to the Sheriff.
Q You thought you couldn't talk to him yourself?

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A I didn't want to play my friendship into this deal.
Q You had a friendship with the Sheriff?
A Yes, sir.
Q What kind of friendship did you-all have?
A I sold him property. I came to his house one time and cut the pilot line on when his heat didn't work. I climbed up in his attic for him. Another time he told me on the phone that he may even deputize me as a Macon County Sheriff. And it was in a joking fashion, but someone robbed the Fannin grocery store, and I called the Sheriff. And, you know, I had him in my telephone because I had sold him land and spoke to him. And I was chasing them.
Q Chasing who?
A The people who robbed the Fannin grocery. And I called the Sheriff and told him where they were. I kept chasing and kept chasing, and they were chasing. And, of course, I didn't catch them. I think they ended up catching them. We kind of high-fived and

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laughed at the end on the telephone that he may even deputize me. But it certainly had nothing to do with bingo.
Q **So, at this point, you hadn't even talked about bingo.**
A I don't know when that Fannin grocery conversation was. My goal with the whole deal was I didn't want to pull strings. I didn't want to pull favors. I didn't want to play friend. I wanted to get open fair and square. And I didn't want to look David Warren in the eye and use the leverage of friendship. So, I hired Bobby Segall and Stan Gregory to do all talking to David Warren, and they did. Who were also friends and --
Q **Bobby Segall and who?**
A Joe Turnham.
Q **And Joe Turnham?**
A Yes, sir.
Q **Did you say Stan Gregory?**
A I did. Stan Gregory is another attorney I hired if I said it. I didn't hire Stan

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Gregory to speak with David Warren. I hired Bobby and Joe to speak, and Stan was a constitutional lawyer at Bradley-Arant who was hired to look over rules and regulations and even propose, possibly, new rules and regulations.
Q **Is he the one who prepared the suggested rules and regulations that you later gave to the Sheriff and suggested that he might want to use those?**
A Well, I never gave the rules to the Sheriff.
Q **Well, who gave them to him?**
A It would be Bobby Segall or Joe Turnham.
Q **You knew that there were some rules and regulations that you had caused to be made concerning -- that you were interested in his adopting.**
A Correct.
Q **Okay. And who prepared those rules and regulations?**
A It would have been Joe Turnham, Bobby Segall and Stan Gregory.
Q **Is Joe Turnham a lawyer?**

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A No, sir, not to my knowledge.
Q **Approximately how many conversations did you have with the Sheriff with reference to getting a license for bingo?**
A In what time period?
Q **At any time period. I think you told us the first time you talked was mid spring of '05. I believe that's your testimony.**
A We probably spoke -- We met two times at his house and one time at the Sheriff's Office on December 28th, 2005. And I would imagine that we had probably between four and ten telephone conversations over the course.
Q **Now, you met only twice at his house.**
A Correct.
Q **Have you told us already everything that took place in those conversations at his house?**
A No, sir.
Q **Well, tell us what took place in those conversations.**
A The first time it was regarding the property that joined his house.

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Q **I'm talking about bingo.**
A Well, you said tell you everything.
Q **I want the conversations concerning bingo that occurred at his house.**
A I took a rendering of my facility to be built to his house, and the conversation started about the property adjacent to his house. But at the Sheriff's election, he asked me how my project was going. What's going on, very friendly conversation. And I showed him the rendering, and they liked it. He and Pebblin were both sitting there. I told him what was in my heart, what I wanted to do with this project; and not only with that project, but specifically for the County. The Sheriff told me that he wanted a police substation somewhere near Hardaway because he knew I had some land in the area. I told him that I'd try to help him.
Q **If you would, just tell me what you said about bingo. I'm not interested in the personal things that you-all said.**
A Well, I have -- To relive the conversation,

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Q Let me show you what's been marked as Defendant's Exhibit Two. And I'm going to take it one at a time. Take the first -- that first letter or that first page of Exhibit Two, do you see that?
A Yes, sir.
Q You've seen that before, haven't you?
A Yes, sir.
Q At some point in time, was not that delivered to Sheriff Warren by some of your representatives --
A Yes, sir.
Q -- as a suggested document for him to sign?
A Yes, sir.
Q All right. That's page one. Now, look at page two. I think those next documents are first amendments to second amendment and restated rules and regulations for the licensing and bingo games in Macon County; is that correct?
A Yes, sir.
Q And were not these at some point delivered to Sheriff Warren as your suggestions about

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the rules and regulations that he should adopt?
A Yes, sir.
Q Okay. Now, let me show you the third document in there, which is the second amendment to the second amended and restated rules and regulations for the licenses in operating of bingo games in Macon County. Do you see that?
A Yes, sir.
Q And wasn't that at some point delivered to the Sheriff by some of your representatives in connection with -- as a suggested rules that he should adopt?
A Again, is that listed as page one or page two of that document?
Q It's really the second amendment, which consists of one, two -- should be three pages.
A Okay. So which page --
Q Four pages.
A Which page are you referring to?
Q I'm referring to the whole document.

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A First page?
Q Page one, page two, page three, and page four, all of those are one document; isn't that correct?
A Yes, sir.
Q And didn't you have these prepared --
A Yes, sir.
Q -- as suggested proposed rules and regulations --
A Yes, sir.
Q -- that you wanted the Sheriff to adopt so that you could get a license?
A Correct.
Q Isn't that correct? Now, the next part of this package, isn't this -- look through it -- a copy of the application that you left at the Sheriff's Office on or about July 23, 2005?
A Yes, sir. It's part of that document.
Q What is missing, other than I know we concluded when we talked before there was a survey and there were some diagrams of your proposed facility.

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A Correct.
Q Do you see anything else missing from this?
A If everything that is on this cover sheet is in this package, then, yes, sir, this is the package minus the survey and the rendering.
Q And my recollection, I believe that is the same thing as Plaintiff's Exhibit Nine that's attached to the Sheriff's deposition, the application of Reach One Teach One; isn't that correct?
MR. THOMAS: But if I'm not mistaken, 10-A and 10-B are going to be the survey and the diagram.
MR. GRAY: I think you're right.
MR. THOMAS: That's right. Nine, 10-A and 10-B.
MR. GRAY: All right. And all I'm doing is just tying all this stuff together.
Q So, at some point in time, all of this was delivered to the Sheriff, right?
A Correct.
Q And this is what you wanted him, one, to

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adopt these rules and regulations and prepare this certificate so you could have an operator's license, and so Reach One Teach One could have a bingo license; is that correct?
A Is your question that they were all delivered together?
Q No. At one point, I don't know whether they were all delivered together or not. Were they?
A I was handed the file as one file.
Q Yeah.
A And it is my opinion that the file did not go to the Sheriff as one file. It went to the Sheriff as the application.
Q I know the original application went as an application. But wasn't there a point in time when you or some of your people caused to be delivered to the Sheriff this set of documents which included an application which was either later or subsequently filed?
A The Sheriff was furnished all the documents

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that you furnished me. But, again, I'm going to say that it was furnished in two fashions. One, he would have received the top part of this, which you read to me earlier. And the application would have been furnished to him on or about that Saturday.
Q Okay. Let's take them separately. I think that's probably best. Let's take Exhibit Two. I think you have already indicated -- There's no question, but this was submitted to him?
A Yes, sir.
Q And you wanted him to sign this --
A Yes, sir.
Q -- as a condition so that you could get a license?
A Yes, sir.
MR. GRAY: All right. Now, let's take first amendment to second amended and restated rules and regulations consisting of three pages, and let's mark that as the next

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exhibit.
(At which time, the referred-to document was marked as Defendant's Exhibit No. 3 by the Reporter.)
MR. GRAY: Okay. That's three. And then as the next exhibit, consisting of four pages, is the proposed second amendment to the restated rules and motion regulations.
(At which time, the referred-to document was marked as Defendant's Exhibit No. 4 by the Reporter.)
MR. GRAY: I'm not going to put in the rules and regulations -- I mean, the application because it's already in as nine, and I don't see any point in clogging the record.
Q Now, Mr. Thomas, why did you want the Sheriff to adopt certificate number two -- I

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mean, Exhibit Two? Why did you want him to sign that?
A Well, this was, in my opinion, a build-out letter.
Q A what?
A A build-out letter. I likened in my --
Q Excuse me. Tell me what is a build-out letter. I don't understand, and I'm not sure the Court would.
A Okay. I likened this investment to much that of a hospital or something like that due to the current regulatory situation in Macon County for bingo and the regulatory situation at that time being that one person had sole discretion as to what can or cannot happen. And I felt, as well as did lenders, that it's tough when one person has the say-so to go build a $15 million dollar building or a $5 million dollar building without some assurance that if you build it just as you said that you would, just as your plans say it is, and you build it where you say you are, that -- like a mortgage

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take-out letter or like a CON for the hospital industry, that you would get your license if you comply with what you tell him you are going to do.
Q Now, you wanted him to sign this statement, right?
A Yes, sir.
Q And you knew if he signed this statement he would not be abiding by the rules and regulations, those that he had already adopted.
A Well, it was totally his --
Q No. I'm asking you. This does not comply with the rules and regulations, does it?
A Well, the Sheriff has the right to change the rules and regulations.
Q Well, I understand that. But I'm saying the way it is now, if he had signed this, it would have violated his existing rules and regulations; isn't that correct?
MR. THOMAS: It calls for a legal conclusion. You can answer.
A I would say, yes, but he had already

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violated those rules when he changed them.
Q Okay. All right. I'm not asking you -- Okay.
A He had violated his own rules when he changed them.
Q All right. Okay. All right. Now, so to keep him from violating his rules and regulations, you wanted him to change the regulations for you, didn't you? And isn't that what --
MR. GRAY, JR: He didn't answer that question. He didn't say yes.
Q Didn't you suggest to the Sheriff so that he could legally sign Exhibit Two that he change his rules and regulations; isn't that correct?
A Did I suggest that?
Q Isn't that what -- You said that you had given him these suggested changes.
A I never gave him those suggested changes.
Q Well, you or someone on your behalf gave it to him.
A Correct. Yes, sir.

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Q Isn't that correct? You said that.
A Yes, sir.
Q And wasn't the purpose of these changes was so that he could under -- if he had adopted your changes, then he could sign your certification and you would be able to proceed; isn't that correct?
A Correct. Yes, sir.
Q All right. So, there's no question but you wanted him to change his rules by making the amendment that's set forth in Defendant's Exhibit Four and change in his rules to adopt your Defendant's Exhibit Three.
A It was a suggestion, yes, sir.
Q It was a suggestion. Okay. And you wanted him to do that so that you would be able to qualify under your proposed changes if he had adopt them then you could have qualified; isn't that correct?
A If he had -- Correct. If he had changed those rules, then myself and the Lucky Palace could have both qualified to get a license.

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Q All right.
A Those rules were drafted --
Q I'm not asking then about how it was drafted. I might ask you that later, but I just want to get that in.
Okay. Who drafted them?
A Stan Gregory.
Q And Stan Gregory is from what law firm?
A Bradley-Arant.
Q Okay. And you paid him, of course, for it
A Yes, sir.
Q And you knew that your application as submitted did not comply with the then existing rules and regulations as promulgated by the Sheriff, didn't you?
A Ask that question again.
MR. GRAY: Read it back for me.
(At which time, the Reporter read the requested portion.)
A My application was not submitted.
Q Well, I mean, the application that you left at the Sheriff's -- You left this application that's attached as P-9 to the

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Sheriff's deposition, you left that application at the Sheriff's Office, didn't you?
A Yes, sir.
Q **All right. And you knew that that application that you left there under the existing rules that the Sheriff had did not -- that application did not comply with the rules. You knew that, didn't you?**
A Correct.
Q **And that's why you wanted the Sheriff to change the rules so that if he changed these rules, in your opinion, then he could have approved your application; isn't that correct?**
A Those rules were --
Q **If he changed these rules --**
A These suggested rules were supplied to the Sheriff.
Q **Then he could have approved it --**
MR. THOMAS: Let him try to answer, Mr. Gray.
A The suggested rules were supplied to the

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Sheriff well before I delivered my application to the Sheriff's Office. The Sheriff had played a major role in those suggested rules. The Sheriff met with Bobby Segall personally on six occasions. He'd met with Joe Turnham on numerous -- more than six occasions. He met on two occasions with both Bobby Segall and Joe Turnham to discuss these suggested rules. The Sheriff and his wife Pebblin had input.
Q **I asked you a simple question.**
MR. GRAY: All these answers are not going to be taken against my time. All I asked him was whether or not in his opinion that he had to have this adopted in order for him to get approval.
MR. THOMAS: It calls for a legal opinion, but if you have an opinion.
A I was led to believe by the Sheriff and the Sheriff's actions that these rules were a, quote, collaboration of the Sheriff, Joe

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Turnham, Bobby Segall to change the situation in Macon County for the better. The Sheriff felt it was a better change. That is the only reason that we pursued those rules and regulations and did not pursue the legal way earlier is because the Sheriff was meeting on occasion and on six occasions -- excuse me -- eight occasions with Bobby. No, six meetings with Bobby, eight phone calls to be confirmed by his bills. And Joe Turnham said on more occasions than that. The Sheriff told them he was going to sign those rules. He told them he was going to give me a license.
Q **The Sheriff told them that?**
A Yes, sir.
Q **Did you hear the Sheriff say that?**
A Joe Turnham --
Q **No. I'm saying did you hear the Sheriff --**
A Joe Turnham --
Q **Just a moment. Did you hear the Sheriff tell anybody that he was going to give you a license?**

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A Me, twice.
Q **He told you that?**
A Twice.
Q **When? Where?**
A At his house.
Q **You heard him when he testified on -- Was it Tuesday?**
A Yes, sir.
Q **And he denied that, didn't he?**
A He also said he didn't know me.
Q **I'm saying he denied that, didn't he? Didn't he?**
A He did.
Q **All right. So, you say he did; he said he didn't?**
A Twice he did.
Q **All right.**
A At his house.
Q **And he denied it twice, didn't he, in his deposition.**
A He denied it once.
Q **All right. So, is it your testimony that you believe that as he sits here now that he**

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would agree with what you're saying?
A I think he would.
Q You think he would?
A Yes, sir.
Q All right. When did -- when were these -- Exhibits Two, Three and Four, when were they submitted to the Sheriff for his adoption, because that's what you-all wanted him to do was to adopt them. When were they submitted?
A I can't give an exact date. But, again, I'm going to set the time line. Joe Turnham and Bobby Segall and Stan Gregory began in January or February of 2005 to work on that document. That document got changed significantly throughout that time. They began meeting with the Sheriff, I would say, in February of 2005. I don't know when they actually submitted that document to the Sheriff because that document changed considerably over the progression of the Sheriff and Pebblin Warren's input into that document.

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Q Do you know who gave the Sheriff these three documents?
A It would either be --
Q Do you know of your own knowledge?
A It would be Joe Turnham or Bobby Segall.
Q Are you sure you didn't give them to him?
A I may have also given those documents to the Sheriff, but I know they were introduced initially by Joe and Bobby.
Q Isn't it a fact you did, in fact, give him all these documents and wanted him to sign them?
A Yes, sir.
Q And wanted him to change the rules and regulations solely so you and your charity -- I mean, Reach One Teach One could get a license; isn't that correct?
A The documents would have already been furnished to the Sheriff by Joe and Bobby. I did not see the Sheriff face to face until the first meeting at his house, which would have been late spring.
Q All of these persons were your agents, were

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they not? They were working for you. Bobby Segall was working for you?
A Correct. He was a hired attorney.
Q Mr. Turnham was working for you?
A Correct.
Q Mr. Carr was your lawyer?
A Correct.
Q Mr. DeBray was your lawyer?
A Correct.
Q The lawyer up in Birmingham who drafted these were your lawyers?
A I don't know a lawyer in Birmingham.
Q Well, who was --
A He's in Montgomery.
Q Gregory is in Montgomery, but he's with the firm that's -- I guess the main office is in Birmingham.
Okay. If those rules and regulations had been adopted, how did they change the rules and regulations as promulgated by the Sheriff?
A Can you furnish me back those rules and regulations?

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Q Yes.
A Well, the first amendment --
Q And refer to it by the exhibit number.
A Well, it's Exhibit Three. Without having the rules and regulations as promulgated by the Sheriff at the time, I can't tell you exactly what the changes are because I need to reference those. But I can tell you that --
Q Which set of rules do you want?
A The rules that you cited that would be compared to these at this time.
Q We can give you copies of all the rules if you need to see it. But can you generally tell us what changes, if any, were made?
A I think that the -- Again, I have not read through, and I'm sure that the Court or the Judge will. The build-out letter that you saw earlier would allow --
MR. THOMAS: Don't call it build-out. Call it what it is.
A This "Certificate of Preliminary Designation of Macon County Investments, Inc. Location

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A Yes, sir.
Q -- is whether or not under that proposed amendment the Sheriff would be delegating to a commission to do some of the duties and responsibilities that he is assigned to under the constitutional amendment; isn't that correct?
A He would still sit atop the commission, but he would delegate -- correct. He would still have the final say.
Q Okay. Is that correct?
A Yes, sir, that is correct.
Q All right. Thank you. It's 12:00.
(At which time, a recess was taken).
BY MR. GRAY:
Q Mr. Thomas, we talked about the proposed rules and regulations that you submitted to the Sheriff. At what point did you conclude he was not going to adopt the proposed rules and regulations that you submitted to him? When did you make that decision? Let me ask you: Did there come a time when you

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concluded that he was not going to adopt your rules and regulations or the proposed rules and regulations that you made?
A Yes, sir. The Sheriff fell ill --
Q No. I'm just asking you did there come a time when you concluded that he was not going to adopt the rules and regulations?
A Yes, sir.
Q Okay. Give me the date or the approximate date that you reached that conclusion.
A Early June.
Q Early June of --
A '05.
Q Okay. Now, between the time you submitted to him these proposed rules and regulations and the time you concluded that he was not going to adopt them, did you make an appearance before the City Council or the town council of Shorter in order to try to get them to encourage the Sheriff to change the rules and regulations?
A No, sir.
Q Did you ever appear before the Macon County

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Commission and make a presentation to the Macon County Commission with the idea of getting their support so you could obtain a license?
A Yes, sir.
Q And when was that?
A I believe it was in November of '05.
Q November of '05?
A Yes, sir.
Q And did you also appear before the Chamber of Commerce in the City of Tuskegee --
A Yes, sir.
Q -- and made a presentation to try to get them to have the Sheriff change his rules and regulations so you could get a license?
A Yes, sir.
Q Did you make a similar presentation to the Rotary Club of Tuskegee at The Torch?
A No, sir.
Q You didn't make a presentation?
A I did.
Q And didn't you indicate there that the Sheriff, in effect, was interfering with

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your ability to get a license?
A Correct. The purposes of that meeting --
Q No. I didn't ask you the purposes.
A Yes, sir, I did have a meeting with them.
Q You did, didn't you? And didn't you also tell them in that meeting that you had a million dollars and you were going to go ahead and employ some lawyers in order to get you a license, didn't you?
A I don't know how I stated it, but, yes, sir, that could be certainly -- yes, sir.
Q You mentioned a million dollars and you mentioned getting lawyers.
A Yes, sir.
Q And you got the million dollar lawyer representing you sitting by you, don't you?
MR. THOMAS: Don't underestimate him, Mr. Gray. It's a little higher than that.
MR. GRAY: I'm sorry. I'm sorry. Two million dollars or multi-million dollars. How's that?
MR. THOMAS: That's good enough.

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MR. GRAY: Multi-million dollars.
THE WITNESS: I have an excellent lawyer sitting next to me.
MR. GRAY: Oh, no question about that. Multi-million dollars. All right. Okay. All right. All right.
BY MR. GRAY:
Q So, you did everything you thought you could do to bring pressure on the Sheriff to try to get him to issue a license for you, didn't you, short of filing a lawsuit.
A Yes, sir, I feel like I exhausted all avenues.
Q And then at some point, you filed a lawsuit.
A Correct.
Q Do you remember -- And go over to the rules and regulations that are in existence, and you can take either one. Let's start with the first set of rules and regulations. And I think that's Exhibit Two to the Sheriff's deposition. You're familiar with these rules and regulations, aren't you?
A Yes, sir.

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Q I ask you to look at section 12, and that's the first rules and regulations. And what does it say?
A Would you like for me to read it?
Q Yes, sir.
A Okay. "The Sheriff for good cause shown may revoke any license issued pursuant hereto if the license holder or any officer, director, agent, employee, or member of the license holder or any person acting in concert with such person" --
Q I'm sorry. Go ahead.
A -- "violates any of the regulations" --
THE REPORTER: Slow down a little bit.
Q And I may have given you the wrong citation. I wanted the ones about appeal from denial, section 14.
A Okay.
Q That's what I wanted. I'm sorry.
A You ready? "Any nonprofit organization whose application for a license hereunder shall be be denied by the Sheriff pursuant to these regulations shall have the right to

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appeal such denial to the Macon County Commission and to the Circuit Court of Macon County in the same manner as an appeal of the revocation of a license issued hereunder may be appealed pursuant hereto provided. However, that such organization shall not operate any bingo game until such application shall have been granted" --
Q All right.
A -- "and a license issued pursuant to any order."
Q Okay. So, you were aware that under the first set of rules and regulations a charity who had been denied a license had a right to appeal. That's what the rules says, doesn't it?
A Yes, sir.
Q Now, at some point in time -- and I think your complaint states it -- that you reached a conclusion because he had not acted upon your -- the application of Reach One Teach One, you concluded it had been denied. Don't you allege that, in affect, in your

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complaint?
A Yes, sir. That was the way that I felt it had been treated.
Q All right. Did you appeal that denial to the Macon County Commission?
A I went before the Macon County Commission.
Q I'm asking you did you appeal the denial of your license to the Macon County Commission?
A Formally, no, sir.
Q All right. And you did not seek to go into the Circuit Court of Macon County through an appeal route, did you?
A No, sir.
Q You also recognized -- and I refer you to Exhibit Four to the Sheriff's deposition -- and ask you to review -- I think it's the same section 14. And isn't that a similar -- Doesn't that give an applicant for a license the right to appeal if the license is denied; doesn't it do that?
A Yes, sir.
Q And you did not utilize that appeal route, did you?

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A No, sir.
Q And let me show you in Exhibit Six, section 14. That's the second amendment. Isn't there a similar provision for an appeal?
A Correct.
Q So, either one of the three or all three of them have appeal procedures, and you did not exercise that right under any of them, did you, before you filed your lawsuit?
A No, sir.
Q Okay. Now, tell us any other groups that you have gone to in an effort to have the Sheriff grant the application of Reach One Teach One so that you could become an operator, or so that MCII can become an operator?
A Other than -- Again, if you'll state the ones that are --
Q I think you've admitted it, if my recollection is correct -- and it may be wrong -- Macon County Commission, you went to the Chamber of Commerce. You went to the Rotary Club. Any other groups?

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A I went to the Rotary Club to ask them --
Q No. I'm not asking -- I'm asking you whether there are any other groups other than those three that you made presentations to for the purpose of trying to get the Sheriff to grant you an application?
A Yes, sir. I made a presentation to Main Street.
Q Main Street. Now, tell us what Main Street is.
A Main Street is a charity whose purpose is to kind of try to keep the prestige of the beautiful buildings in downtown Tuskegee and basically tries to do good deeds in the City of Tuskegee.
Q Did you offer Main Street -- Have you entered into a contract with the Main Street charity to be one of your charities under MCII?
A No, sir.
Q As a matter of fact, you have only approached one charity, and you only have one charity who is prepared to submit in

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their application your name as an operator -- or MCII as an operator; isn't that correct?
A Yes.
Q Now, who do you bank with?
A A lot of different banks.
Q What's your principal bank?
A I would say Colonial Bank would be my principal bank.
Q Okay. Have you ever had a bank account at any other --
A Yes, sir.
Q -- financial institution? Which ones?
A Aliant, Wachovia, Sterling.
Q Are you indebted to any financial institutions?
A Yes, sir.
Q Tell us the various financial institutions that you are indebted to.
A Aliant, Sterling.
Q Let's take them one at a time. Aliant, approximately how much do you owe them?
A I'd have to look at my financial statement.

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Q In your best judgment.
A I know my overall indebtedness. I really don't know at each specific bank.
Q What's your total overall indebtedness?
MR. THOMAS: We are going to note an objection on the basis of what relevancy is there. Nothing under the rules goes to anybody's credit worthiness. I think the standard that's imposed by the rules is that the Sheriff would do a background check. I haven't heard any testimony from him about he checked people's financial records.
MR. GRAY: You haven't asked.
Q Go ahead.
A Do you want my net assets or my liabilities?
Q I asked you how much do you owe. You said you could tell me approximately --
A Around $5 million.
Q About $5 million dollars. Okay. And that -- Give me the names of the various

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financial institutions that you are indebted to.
A Aliant, Colonial, Bank Corp South, Wachovia.
Q If you had had a regular operating account that you operate out of, which account would you say -- which bank?
A Colonial.
Q Colonial. Has that been the case always?
A No, sir.
Q All right. Which one did you have before?
A Aliant.
Q Huh?
A Aliant.
Q And before Aliant?
A I guess since I've been in business or been a functional business person, it would have been Aliant. So, it would have been Aliant and then shifted to Colonial.
Q Okay.
MR. GRAY: Mark that as the next exhibit, please.
(At which time, the referred-to document was

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marked as Defendant's Exhibit No. 5 by the Reporter.)
Q Let me show you, Mr. Thomas, Defendant's Exhibit Five and what was referred to in Sheriff Warren's deposition as Plaintiff's Exhibit 13. Tell us what that is.
A It appears to be a check from Milton McGregor to David Warren.
Q Where did you get it from?
A I first saw it with my attorney.
Q When was that?
A Probably 120 days ago.
Q 120 days ago would be --
A Spring of '06.
Q Spring of '06.
A Yes, sir.
Q Where did you see it?
A I saw it at my attorney's office.
Q Which attorney's office is this, now?
A Greg Carr.
Q Greg Carr. Where did he get it from?
A It was deposited in his office through the mail slot.

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Q It was what?
A He told me it was deposited through his office in the mail slot.
Q Deposited in his office through the mail slot. And where is his office located?
A 915 South Hull Street.
Q 915 South Hull?
A Uh-huh (positive response).
Q Did he tell you what day that was presented?
A No, sir.
Q What were you supposed to do with this check, or what did you do with it?
A I looked at it.
Q What else did you do with it?
A It went in the file. I did nothing with it.
Q At the time you -- your lawyer referred this check to you in the deposition of Sheriff Warren, he had just asked Sheriff Warren whether he had received any contributions from Mr. Milton McGregor. Now, did you understand your lawyer to be asking the Sheriff that this Milton McGregor was the same Milton McGregor who is the CEO of

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Victoryland Macon County Greyhound Park; is that correct?
A Yes, sir.
Q It wasn't a different McGregor.
A I don't know another Milton McGregor. So, yes, sir.
Q And were you tendering this check to be a check that was issued on an account of Mr. Milton McGregor, the CEO of Victoryland and signed by him?
A Was I tendering?
Q Yeah. When you had your lawyer to ask the Sheriff about that, were you doing that with the understanding that the Milton McGregor that's referred to on this check is, in fact, Milton McGregor, CEO of Victoryland?
A The file was turned over to, attorney-wise, my attorney Kenneth Thomas. And what he did with it, again, is --
Q I didn't ask that. Well, let me ask you this way: Did you understand or do you or did you believe that this was a check issued by Milton McGregor, CEO of Victoryland, to

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Warren, and the document shall speak for itself.
Q And that Milton McGregor was the CEO of Victoryland. Isn't that the only reason you would have introduced it in the context that it was initially introduced?
A I did not introduce the check.
Q Well, I mean, it was introduced in the proceeding on your behalf.
A It was part of the large file that was handed over to the attorneys, and I did not know the check was going to or not going to be introduced.
Q So, you have not then and have not now. Do you know plan to investigate or determine whether or not this is, in fact, the same Milton McGregor that you thought it was. Because you thought it was Milton McGregor, president or CEO of Victoryland, didn't you?
A I thought it was the only Milton McGregor that I knew.
Q Well, is that the one at Victoryland?
A And it's a Tuskegee address.

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Q He doesn't live in Tuskegee, does he?
A It's a P. O. Box Tuskegee address.
Q Does Milton McGregor live in Tuskegee?
A No, sir.
Q Did you ever check, Mr. Thomas, to determine whether or not Milton McGregor has a Post Office address in Tuskegee at Post Office Box 26065?
A No, sir.
Q Was there anything to stop you from checking that if you wanted to determine truthfully whether this was, in effect, true?
A No, sir.
Q But you didn't do it.
A No, sir.
Q You have an account at Sterling Bank, don't you?
A No, sir.
Q You have had an account at Sterling Bank?
A Yes, sir.
Q And didn't you have an account at Sterling Bank in May of '04?
A I had a loan at Sterling Bank, and the

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account went away when I paid the loan off. I don't know if that loan was at Sterling Bank in 2004.
Q And when did you pay the loan off?
A I do not know.
Q Was it '04 or '05?
A I moved the loan to Bank Corp South, and I'd have to check and see when it is. I specifically don't know when it was moved.
Q Did you check Sterling Bank to see if Milton McGregor, the CEO of Victoryland, had an account there or had an account there at that time?
A No, sir.
MR. GRAY: We offer Exhibit Five to the deposition.
Q You say you gave a whole file of material to someone that contained this check?
A No, sir.
Q What did you do?
A I said that Greg Carr, attorney, gave an entire file to my attorney, Kenneth Thomas.
Q And in that file was this?

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A Yes, sir.
Q Were there any other checks in that file to David Warren from anyone else?
A To my knowledge, no, sir.
Q Was there any other checks in that file from Milton McGregor to anyone else?
A To my knowledge, no, sir.
Q Have you or your lawyer received anonymously any other similar material like this where it just appeared in a box?
A No printed material, no, sir.
Q Have you gotten any other material that just anonymously appeared?
A Lots of phone calls but no material.
Q No documents?
A No documents, no, sir.
Q Lots of phone calls on what?
A On my, I guess, battle, for lack of better description, in Macon County, information.
Q You're not the only person who wants to have an operator's license in Macon County, is there?
A I know of another entity who's trying.

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Q As a matter of fact, there would be any number of folks who would like to have operator's license; isn't that correct? Wouldn't you think so?
A I would think so.
Q Because they would have the same interest you have, and that is, to make money.
A I would think so.
Q Okay. Now, let's go back to various and sundry things you've done to try to get a license. Can you tell us anything else you have done that you have not testified to in order to obtain an operator's license for MCII and a bingo license for Reach One Teach One?
A I'd have to look and see what I've actually testified to to see if that's everything. I know I've worked awful hard. If I can be furnished a list of what I have said, I could rule out what I have not said. We've been here for four hours.
Q Have you talked to any other persons that we have not -- you haven't testified to about

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trying to get a license?
A I've talked to a slew of people about trying to get a license.
Q Did you ever make a contribution to Sheriff Warren's campaign --
A No, sir.
Q -- during either one of his races?
A No, sir.
Q Did you make a contribution towards Mr. Maloy's campaign?
A No, sir.
Q Did you make a contributions to any PAC during the last primary elections, any PAC for any reason?
A Yes.
Q Which PAC did you make a contribution to?
A There were two PACs with three-letter names.
Q With what?
A Three-letter names.
Q Three letter --
A I mean, synonyms. A, B, C or B, A, D or something along -- whatever. I don't recall the exact names.

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Q And that was -- How many of those was it?
A Sir?
Q How many?
A Two.
Q Two? And how much did you contribute?
A A thousand dollars apiece.
Q Was one of those STA?
A I'm not certain of the names, but I'm certain they were three-letter names.
Q And one was PAC?
A Yes, sir, they both were three-letter-name PACs. I don't recall the names.
Q Who did you give the money to to go to that PAC?
A I gave the checks to Greg Carr.
Q Checks to Greg Carr.
A Yes, sir.
Q All right. And he was supposed to give them to whom?
A I would assume to a representative of those PACs. I believe they were in Birmingham.
Q Do you have your canceled checks?
A Yes, sir.

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Q Approximately what was the date of those checks?
A I don't know the date.
Q In your best judgment.
A I believe it would have been in May.
Q In May? Had you made any contributions to those PACs before?
A No, sir.
Q Who solicited these contributions?
A From the PACs?
Q From you.
A Jim Goodrow (phonetic).
Q Jim who?
A Goodrow.
Q Who is Jim Goodrow?
A A friend of mine.
Q What does he do?
A He's a pilot. I'm not sure what his everyday job is.
Q He's a pilot where?
A I'm not certain who he flies for.
Q Do you know who he has flown for?
A I think at one point he flew for Richard

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Scrushy.
Q He's one of Richard Scrushy's pilots, isn't he? And he was the one who solicited the funds for both of the PACs, or one of the PACs?
A Both of them.
Q You had a real financial and pecuniary interest in who would be Sheriff of Macon County in order to get a bingo license, didn't you?
A Chief Maloy, at that point, running for Sheriff Maloy, had made it public that if he were elected that we would get a license and rule changes.
Q All right. So, what Maloy had promised you and others that, if he was elected, he would end up seeing that you got a license?
A No, sir, he never said that.
Q Well, he promised you what?
A He never made me any promise.
Q Well, you just said it. The record will show what you said.
A He never made me any promise.

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Q What did he say if he was going to be elected?
A He said that he would expand gaming in Macon County.
Q He would expand it.
A Not to me personally.
Q Did you ever talk to him about it?
A On one occasion.
Q When was that?
A It would have been earlier in May, I would assume.
Q And where was that?
A At the airport.
Q And isn't it a fact that you made the contribution to those PACs with the understanding that those PACs were going to make contributions to Maloy's campaign; isn't that a fact?
A No, sir.
Q Is your opinion that they were not going to contribute toward him?
A No, sir, that was not discussed at that meeting.

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Q Did you know that the same PACs that you made a check to that those PACs ended up making contributions to Maloy's campaign?
A Yes, sir.
Q And do you know they made contributions in the thousands of dollars?
A I think they were each a thousand dollars.
Q That's your contributions.
A Yes, sir.
Q And don't you know that the PACs that you gave that money to gave at least that amount of money to Maloy's campaign?
A I did not know that.
Q Okay. Have you looked at Maloy's financial statement?
A No, sir.
Q Have you looked at the financial report of those PACs?
A No, sir.
Q Prior to the time you became interested in a bingo license, had you made a contribution to any other PAC?
A No, sir.

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Q Have you made a contribution to a PAC since then?
A No, sir.
Q And you were actively supporting Maloy's campaign; isn't that right?
A No, sir.
Q Didn't you want him elected because he had promised that he was going to expand gaming? Are you saying you didn't want him elected?
A In actuality, no, sir.
Q You didn't want him elected.
A No, sir.
Q You wanted Sheriff Warren reelected.
A In actuality, yes.
Q Why?
A Because I had a pending lawsuit against the Sheriff, and I felt that if Maloy were elected that he may or may not do anything. And I felt very confident in my place with the pending lawsuit against Sheriff David Warren.
Q And you made the contribution that you knew was going to go to Maloy's campaign not

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A No, sir.
Q Are you negotiating with any other person, firm, or corporation to get any type of equipment or anything else to be used in operating with bingo?
A I have also spoken with Sierra Design Group about some additional machines, but I have no contracts.
Q Who is that?
A Sierra Design Group.
Q Spell it for me.
A S-I-E-R-R-A, Design Group.
Q And who are they?
A They are a machine manufacturer.
Q And where are they?
A I'm not certain where they're headquartered.
Q And who, with that group, have you talked with?
A Rich Distasi.
Q Could you spell his last name for me?
A Rich D-I-S-T-A-S-I.
Q And they're located where?
A I'm not certain where they're located.

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Q Where did you contact him?
A He contacted me, and we met.
Q Go ahead.
A We met.
Q Where did you meet?
A At my office.
Q When?
A This would have been -- I sold my office and it was torn down for the Midtown Wal-Mart, so before Buddy McClinton started that. It would have been in 2004.
Q So, you moved your office in the last few months?
A Correct. No, sir, well over two years ago.
Q Okay. Now, have you borrowed any funds at all that have been used in connection with the possibility of obtaining a license to operate bingo?
A Specific funds?
Q Have you borrowed any money for that specific purpose?
A Yes, sir.
Q What did you borrow and from whom?

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A A million dollars.
Q A million dollars from where?
A From Al Gibbs.
Q From who?
A Al Gibbs.
Q A-L? Spell his last name.
A Gibbs, G-I-B-B-S.
Q Who is Al Gibbs?
A A fraternity brother and good friend of mine.
Q What type of security did you give to him for that money?
A He has got a personal guarantee.
Q Personal guarantee by whom?
A Frank Thomas.
Q I mean, that's you.
A Yes, sir.
Q Well, was the money loaned to you, or was it loaned to MCII?
A I don't recall whether the money was loaned to me or to MCII. I'm fairly certain the money was loaned to Frank Thomas, the Third, to me.

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Q All right. Then if it was loaned to you, then you're not guaranteeing your own loan, are you saying that?
A I'm guaranteeing that if it went south, that I owed him one million dollars.
Q Well, I thought you borrowed the million dollars from him directly.
A I did.
Q And are you saying that not only are you obligated, then you're saying that you are the security for it too?
A I'm saying --
Q The guarantee?
A No, sir. I'm saying that I personally guaranteed it with my financial statement and my person -- myself.
Q Did you sign a note?
A Yes.
Q Did you sign a mortgage?
A No.
Q Does he have any kind of security other than your note?
A There is supposed to be some land out of it

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at some point, but it's yet to be determined. So, as for now, no, sir.
Q Did he write you a check for the million dollars?
A No, sir.
Q How did you receive the million dollars?
A I believe it was two hundred thousand initially and then eight hundred thousand dollars.
Q When did you receive the two hundred thousand?
A February of '06.
Q February of '06?
A Yes, sir.
Q And the eight hundred thousand?
A February of '06.
Q Now, is there one note or two notes that's signed?
A One note.
Q And that note is dated approximately when?
A February '06.
Q February --
A Of '06.

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Q -- of '06. And you have a copy of that note?
A Greg Carr would have a copy of that note.
Q And you have actually received in cash the million dollars?
A No, sir.
Q How much have you received in cash, Mr. Thomas?
A The money went to Donald Watkins.
Q The money went to Donald Watkins?
A Yes, sir.
Q The million dollars went to Donald Watkins?
A Yes, sir.
Q Now, who is Donald Watkins?
A A friend.
Q A friend to whom?
A A friend of mine.
Q Friend of yours?
A Yes, sir.
Q And how do you know Donald Watkins, your friend?
A I met him through Jim Goodrow, a friend.
Q When was the first time you met Donald

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Watkins?
A January of '06.
Q Now, you had your friend Al Gibbs to contribute directly to Donald Watkins a million dollars?
A Yes, sir.
Q Now, where does Al Gibbs live?
A Birmingham.
Q What does he do?
A He's in the hand core pipe business.
Q In the what?
A Corrugated pipe.
Q Corrugated pipe. What was Donald Watkins supposed to do with the million dollars?
A I initially felt that I was hiring him as an attorney, and that was a retainer to come and help me get my facility in Macon County. He then elected not to be an attorney and to be a consultant.
Q So, that million dollars was paid initially for attorneys fees; is that right?
A No, sir.
Q Well, tell the Court what it was paid for.

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A It was paid as a retainer for consulting fees.
Q For consultant? Now, Donald Watkins is the -- Tell me who the Donald Watkins is you're referring to. There may be two or three of them.
A A friend of mine, Donald Watkins.
Q And that's all you know?
A What would -- a friend of mine, Donald Watkins.
Q Is he the attorney?
A He is an attorney.
Q Is he the former City attorney for the City of Birmingham?
A Yes, sir.
Q Is he the former attorney who used to be in my law firm in Montgomery?
A Yes, sir.
Q Is that the same Donald Watkins?
A Yes, sir.
Q I just wanted to be sure it's the same person. And you paid Donald Watkins a million dollars to serve as a consultant for

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what?
A For Macon County Investments.
Q What was he supposed to do for Macon County Investments?
A Help me form a team, a legal team, to move Macon County Investments forward.
Q Now, he was not to be the team, and this was not for attorneys fees, but all he was going to do was get together a legal team.
A Correct.
Q Did you have a contract in writing with him?
A Yes.
Q All right. And what's the approximate date of that contract?
A Again, I'm saying February of '06.
Q And what does the contract in effect provide?
A It provides that Donald will coordinate the legal battle for Macon County Investments to move forward in Macon County.
Q And has that consultation fee been fully earned already?
A No, sir.

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Q How much of it has been fully earned?
A I would say none of it.
Q None of it? Now, that's separate and distinct from the payment of your lawyer fees. And tell the Court, if you will, who all are your lawyers in this case.
A On the pleadings, the lawyers are the lawyers as you see: Kenneth Thomas, Ramadanah Salaam-Jones, and Gary Grasso.
Q Off of the attorneys -- Off of the pleadings, who else are your lawyers?
A Well --
Q -- in this matter advising you on this?
A Greg Carr is a good friend, my personal attorney and lawyer. And Bobby Segall has been contacted recently regarding the case.
Q He is now representing you as plaintiff in this lawsuit?
A No, sir.
Q He has been contacted by you for that purpose?
A No, sir.
Q But tell us what you mean about Bobby Segall

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is in it.
A He has simply been contacted about this case. He is not actively, I guess, on retainer for Frank Thomas or MCI.
Q Is he a part of the legal team?
A No, sir.
Q Do you know whether or not he has conferred with the legal team?
A No, sir, I do not know.
Q Who else is on the legal team?
A That's it.
MR. GRAY: Counselor, I humbly apologize for having underestimated the million dollar fee. I should have said multi-million dollars. Who told me that at first? You did, and I'm sorry.
MR. THOMAS: Thank you.
MR. GRAY: It's only because in my old age when I was coming along to talk about a million dollars is something almost unheard of. Now,

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people talk about it like it's nothing. But I'm happy to see it.
BY MR. GRAY:
Q Have you made any contributions at all to Reach One Teach One?
A Yes, sir.
Q How much contribution have you made?
A Ten thousand, five hundred ($10,500) dollars.
Q When did you do that?
A I would have to look at the check. It would have been in -- I would say July.
Q July of what?
A '06.
Q July '06?
A Yes, sir.
Q Since this lawsuit has been pending.
A Correct.
Q Had you made any contribution before then?
A No, sir.
Q Had you made any contributions at all to Mr. Walker --
A No, sir.

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Q -- or anyone else connected with Reach One Teach One?
A I have paid Mr. Walker travel expenses in the amount of five hundred ($500) dollars on three occasions through Reach One Teach One of America.
Q Travel expenses from where to where?
A I understood that at the time that he came to meet me he was in Florida.
Q Don't you understand that his principal residence is in Florida, or do you know?
A No, sir. I understand his principal residence is in Tuskegee.
Q Okay. And he's temporarily living in Florida?
A Yes, sir.
Q Do you know how long has he temporarily lived in Florida?
A No, sir.
Q In your best judgment?
A I do not know.
Q Okay. What are the dates of these travels?
A I would have to refer to my checkbook.

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Q You do have a checkbook?
A Yes, sir.
Q And those are dates of his travel here in connection with the license process?
A One of the trips was Reverend Walker distributed some checks to some local charity organizations in Macon County.
Q Okay. Now, you gave checks to -- Now, was this Frank Thomas giving checks -- Now, these checks you talked about so far, all these checks were really checks off your personal account because you told us that MCI didn't have any.
A Correct.
Q Okay. So, from your personal account, you contributed -- are the checks you're talking about to Mr. Walker.
A Yes, sir.
Q The check you talked about, to Reach One Teach One. And then you gave checks to Mr. Walker to other charities in Tuskegee or in Macon County.
A I never wrote any checks to Walter Walker.

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I've only written checks to Reach One Teach One of America.
Q Okay. The transportation checks went to Teach One?
A Yes, sir.
Q Okay. And the travel checks went the same way.
A Yes, sir.
Q What about the checks to the charities? Which charities?
A I wrote a check to Reach One Teach One in the amount of ten thousand, five hundred ($10,500) dollars. Reverend Walker then had the discretion to distribute that money to Macon County charities as he seen fit.
Q So, you're saying that the ten thousand ($10,000) dollar -- ten thousand, five ($10,500) that you gave on July 6th was not just for Reach One Teach One, but that was so Mr. Walker could contribute those to whoever he wanted to contribute them to --
A Yes, sir.
Q -- is that right? Did he give you a report

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back on how he dispursed -- how he spent the -- how the ten thousand, five hundred ($10,500) dollars was used?
A Yes, sir.
Q Okay. Tell us how it was used.
A Well, it was three different checks to three different schools. He gave me the cashier check receipt.
Q All right. And do you have those cashier check receipts?
A Yes, sir.
Q And how much was it and to which schools?
A I believe it was George Washington Carver Elementary. One was to --
Q To George Washington Carver Elementary fo how much?
A I believe two thousand.
Q Two thousand. All right.
A Another two thousand was to a day care center. I can't recall the name.
Q All right.
A I believe. And the other two thousand, I believe, was to another school.

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Q To another school. Do you know what happened to the other -- the difference between the six thousand and the ten, five?
A No, sir.
Q Did he give you a written report on it?
A He gave Greg Carr, I feel, a written report.
Q Huh?
A He gave Greg Carr, I feel, a written report.
Q All right. So, there is a written report.
A I said I believe there is a written report.
Q But you know there are cashier's check stubs for each one of these three that you had?
A Well, I was actually mailed the cashier's checks back from Deborah Biggers, the Macon County school attorney. So, I actually have the checks themselves back to me.
Q What are you saying? The checks were never cashed?
A Correct.
Q But the three checks that you sent -- you didn't send them. You're saying three checks were given by Mr. Walker to the three schools.

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A No, sir.
Q Okay. Tell me what happened.
A The three checks were given by Reach One Teach One to the three schools.
Q All right. But I thought you said you personally gave it to Mr. Walker for the purpose -- and left it up to him to distribute it to the schools.
A The money was given to Mr. Walker on the behalf of Reach One Teach One.
Q I understand.
A It was a cashier's check to Reach One Teach One.
Q Yes.
A Reach One Teach One then wrote three cashier's checks or had three cashier's checks written to three schools. Those checks were mailed back to Frank Thomas personally at the office of Greg Carr accompanied by a letter from Ms. Deborah Biggers that the Macon County school system would not accept the money because it was not explained as to how they were supposed

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to use the funds. The checks were mailed back to Greg Carr's address to me. I did not write the checks, but they were mailed back very awkwardly to me.
Q How would anybody know to send it to you or to have you connected with it at all?
A Welcome to Macon County.
Q But that came from Attorney Deborah --
A Biggers. I have a letter.
Q Do you have that letter with you?
A In fact, I think I do. I have the letter, Mr. Gray.
Q All right.
A Would you like for me to read it?
Q I would like to see it. What was the purpose of contributing the money to the schools?
A My argument all along has been that I wanted to help the Macon County school system.
Q And that was the purpose?
A Yes, sir.
Q Did you return these checks with a letter to Ms. Biggers saying: Here, use the check,

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and the purpose of it is I'm interested in the school system; did you do that?
A No, sir.
Q You still have the checks?
A No, sir.
Q Did you turn them back to the bank that issued them?
A I put the money back in my account.
Q You didn't give it -- Well, you endorsed the checks?
A Sir?
Q These checks were made payable to these schools.
A Yes, sir.
Q How could you put it back into your account?
A Reach One Teach One told me I could put the money back in my account when the schools would not take the donation.
Q But the checks were made payable to the schools.
A That's correct.
Q And you endorsed the school's name and deposited them into your account; is that

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what you did?
A No, sir.
Q What did you do?
A No, sir.
Q What did you do?
A I don't remember exactly what I did.
Q Which account did you deposit them into?
A It would be my Colonial Bank account.
Q And would that have been shortly after this letter that's dated March 31st, 2006?
A Yes, sir.
Q And this letter was written before you filed an application. Well -- Excuse me, please.
A No problem.
(Thereupon, a discussion was held off the record.)
Q Was this contribution being made to these schools in hopes that that would encourage the Sheriff to issue you a license?
A Not directly, no, sir.
Q Indirectly?
A The contribution was made to the schools for PR.

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Q For what?
A We took a picture in the Tuskegee News simply to show again that I care and I wanted to put money into the Macon County school system.
Q But that was all at the same time you were negotiating with the Sheriff about adopting your rules and regulations that had been introduced in evidence. It was during that period of time.
A What is the date again?
Q March 31st, '06.
A Yes, sir.
Q Okay. Were you trying to give the public the impression that you had three charities committed to you --
A No, sir.
Q -- to serve as operator for them?
A No, sir.
Q Because you did not have a George Washington Elementary School, Lewis Adams, North Tuskegee Public as one of your charities. They had not applied for a license through

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you as a charity, had they?
A No, sir.
Q Do you now know that they had already applied for charity funds --
A No, sir.
Q -- and participating in bingo?
A No, sir.
MR. GRAY: We offer Exhibit Six.
(At which time, the referred-to document was marked as Defendant's Exhibit No. 6 by the Reporter.)
Q Do you -- What else have you done public relation wise? Did you circulate a newsletter throughout the county telling people what you were going to do?
A Yes, sir.
Q Do you have a copy of that?
A No, sir.
Q We might just have one.
At which time, the referred-to document was marked as Defendant's Exhibit

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No. 7 by the Reporter.)
Q Tell us what seven is, please.
A It is a four-page insert that was placed in the Tuskegee News. And it's date is November of 2005. I think the distribution was 15,000.
Q So, you not only had it put in the newspaper, but you distributed 15,000 of them?
A No, sir, the newspaper distributed 15,000.
Q Oh, it was an insert that went in the newspaper. And what was the total cost of that to be done?
A I had put fifteen thousand ($15,000) dollars in escrow with Mr. Paul Davis. The charge was supposed to be fifty two hundred and fifty ($5,250) dollars. He doesn't seem to want to give me back ninety-seven hundred and fifty ($9,750) dollars of it.
Q So, as of now you paid fifteen thousand ($15,000) dollars?
A Correct.
Q And you're claiming he owes you some back.

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Q For them individually or for the corporation?
A For the corporation.
Q I think you alleged someplace in your complaint and in the amended complaint that these rules and regulations were changed, and there was no explanation as to why they were being changed. Do you remember that?
A Yes.
Q In effect. Isn't it a fact for the two changes that were commentaries?
A Yes.
Q And you sat there and listened to those commentaries when the Sheriff was testifying on Tuesday; isn't that correct?
A Yes.
Q All right. Now, while you may not agree with the commentaries that he set out in it, he did, in fact, set out what he considered to be the reasons for the changes, didn't he, in the first amendment and in the second amendment, the commentaries to it?
A If he, indeed, wrote that, yes.

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Q Well, I mean, it's attached to his rules and regulations, and you heard him testify, didn't you?
A Yes, sir.
Q And he told you that those were his rules and regulations, that he had adopted them.
A Yes, sir.
Q Okay. So, there were -- And he had set out what he considered reasons for making the changes; isn't that correct?
A You're referring to the commentary?
Q Yes.
A Yes.
Q And did he not have those changes and those rules published in the newspaper?
A Yes.
Q And didn't you, MCI, Reach One Teach One, and anyone else reading the newspaper could have read the rules and regulations and the commentary about the changes if you had wanted to read them?
A Yes.
Q Okay. They weren't hid, were they?

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A Sir?
Q They were not hidden.
A No, they were in, as you said, the commentary.
Q Okay. Now, have you incurred any other financial obligations that you claim you have spent in connection with obtaining a license that you have not already testified to?
A Accounting bills.
Q Approximately how much do you owe for accounting bills?
A Ten thousand ($10,000) dollars.
Q Of course, now, MCII don't have any assets, so they don't have any accounting bills, do they, the corporation?
A No, sir.
Q Okay. Is there anything to keep you from building the facility if you wanted to now?
A Yes, sir.
Q What?
A The Sheriff himself said that he wouldn't do it and wait on him to build it.

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Q I'm asking you what would keep you from doing it, not what the Sheriff said. What's keeping you from building the facility now?
A I'm not an idiot.
Q And that's why you haven't built it?
A Correct.
Q Okay. And that's why you have gone through all these procedures you've testified to to try to get the Sheriff to change his rules to give you a license; is that right, because you're not an idiot?
A Yes, sir.
Q Okay. And the real estate development is your business, and that's what you know about, and that's what you are trained in.
A Not real estate development, real estate.
Q Okay. In real estate. Do you have the personal finances to finance this project?
A Yes, sir.
Q You personally have the finances to finance it?
A I believe I do.
Q Your own without any help from anybody else?

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A Yes, sir, I believe so.
Q **You testified that MCII does not have any assets. Does it have the assets or does it have the finances to construct the facility, the corporation itself?**
A As of today?
Q **Yes, sir.**
A No, sir.
Q **And it didn't have the facilities as of the time the application was filed, did it? Because you've testified that it didn't have any assets then, and it still doesn't have any.**
A The money for MCI is sitting and waiting on some progress with the Sheriff.
Q **Who has the money that's sitting and waiting? Where is it?**
A Me.
Q **Where?**
A The money that comes when my property sells for $10 million dollars.
Q **Oh, and you are going to sell your property to MCI for ten thousand dollars -- $10**

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million, not ten thousand.
A Uh-huh (positive response).
Q **And that's the way you're going to finance it.**
A My partners who are waiting, my investors and friends who are waiting, I cannot justifiably ask anyone to invest money with the political climate as it sits in Macon County and with the rules and regulations and the volatility of the rules and the regulations in Macon County today. If the rules change, we will start construction in the morning.
Q **It's all dependant on the rules changing?**
A Correct. It's impossible today.
Q **Do you have a construction date in mind?**
A December, two years ago.
Q **Okay. It didn't happen, did it?**
A No, sir.
Q **Okay. Do you have any other contractual relationships outstanding with anybody at all which in any way relates to the operating of a bingo facility in Macon**

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County?
A No, sir.
Q **Can you tell the Court why you have not tried to get other charities to designate you as an operator?**
A Because I feel that I have a right to open under the same rules and regulations as did Victoryland.
Q **That's not my question. I don't think.**
MR. GRAY, SR: Read my question back, please.
(At which time, the Reporter read the requested portion.)
A Can I keep going?
Q **No. I want you to answer that question. I want to know why you haven't tried to get some other charities. You got one.**
A Correct.
Q **And you didn't know that one. Somebody connected you up. Why didn't you try to get connected up with some other charities other than just one?**
A If I connected up with any more charities,

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it's of no good because the charity spots are filled for Macon County for 20 years. A monopoly has been formed.
Q **Well, that's true for the one. It is now.**
A So, why go chase X more?
Q **Okay. So, that's the reason you haven't done it?**
A Yes, sir.
Q **You haven't done it -- why didn't you do it in January of '06?**
A Because there were six -- Well, the paper advertised 59 charities already held at Victoryland.
Q **Why didn't you do it in '05?**
A Because the Sheriff would never tell anyone how many charities were signed at Victoryland. The only information I had is that Bobby Segall was told that Victoryland had 38 charities and nine holding by David Warren.
Q **Why didn't you do it right after it passed between December the 1st and May -- December 1st of '03 and May of '05 early on?**

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A I needed to gain the experience that I now have to build a facility and operate it.
Q **Okay. So, you didn't have it then?**
A Certainly not.
Q **Okay.**
MR. GRAY, SR: I think I'm close. If you want to give us five, we may be close to finishing.
(At which time, a recess was taken.)
Q **All right. I'm going to show you, Mr. Thomas, a document that your lawyers prepared, plaintiff's application for preliminary injunction and expedited hearing, and ask you specifically to read for me, if you will, in paragraph ten. It's short.**
A Yes, sir. "Upon information and belief that the Defendant Sheriff would be granting the application, the plaintiffs began constructing the facility and purchasing equipment for the operation of a Class B bingo facility in Macon County."

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Q **All right. And I think you have told us that there is actually no construction on the facility at all, but there has been some site preparation; is that correct?**
A Yes, sir.
Q **And that site preparation was done by you and not by MCII?**
A Correct.
Q **Okay. The purchase of equipment. I believe you've testified to is that there has been no equipment purchased, but there has been a contract signed by you, I believe, to purchase certain equipment, but no money at all has been paid on it; is that correct?**
A No, sir. No, sir. No money has been paid, correct.
Q **That statement that I made is correct?**
A Yes.
Q **So, to the extent that what you admitted now if it conflicts with what's in paragraph ten, then your testimony is correct if there is a conflict.**
A Yes.

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Q **Okay. Now, I ask you, if you will, to look at paragraph 11 in the same document, the next page, preliminary injunction. Read that paragraph for us.**
A "As such, the plaintiffs seek a preliminary injunction to instruct the defendant" --
Q **Let's see. Is that 11?**
A Yes, sir.
MR. BOLTON: There's a couple of different 11s.
A Which 11?
Q **My 11 on page -- I think I'm on 11 on page three.**
MR. THOMAS: Eleven on page three, Plaintiffs suffer?
Q **That's what I want.**
A Read it?
Q **Yes, sir.**
A The Plaintiffs have suffered and will continue to suffer irreparable harm if this injunction is not granted. Business reputation, goodwill, and income is being diminished every day that the purchased

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equipment is not in use and the land remains undeveloped. Further, the public use of goals, public service goals of MCI Reach One Teach One venture are being frustrated because no funds are being generated."
Q **MCI doesn't have a reputation in the community because it hasn't done anything, has it?**
A That's not true.
Q **It doesn't have a reputation, does it?**
A I think it does have a reputation.
Q **It has a reputation?**
A Yes.
Q **And it hasn't done anything?**
A It has done things.
Q **What has it done, MCI? It doesn't have assets. It doesn't have liabilities.**
A I feel that the community knows that MCI is the entity who desires to operate here.
Q **Do they know it's MCI, or do they know it's you?**
A I feel they would know it as MCI.
Q **And not you.**

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Q Now, any other persons who are in your application so far as MCII is concerned they are no longer connected with the project?
A Now, I have board members.
Q Beg your pardon?
A That my board members are listed in the application.
Q Well, now, what's the difference between your partners, and you say you have two of those, and board members?
A Well, my definition of partner means that they have monetary interest at stake. My definition of a board member could be a passive individual who simply for their knowledge you ask to advise you through a business.
Q So, you're saying the only persons who have a financial interest in MCII is you and Greg Carr; is that it?
A At this date, correct.
Q Was that correct at the time your application was filed? It was only those two?

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A I never asked for a dollar from anyone, correct.
Q I didn't ask you about dollars. I'm trying to take your same language.
A Sure.
Q Were these the only two partners you had when you started, you and one partner?
A Yes, sir.
Q And those are the only two now?
A Yes, sir.
Q Are there any persons who are connected -- who are stated in the application -- Is there any person stated in that application is no longer connected with this project at all now?
A If you could give me the list of anyone that was stated in the application, I can rule them out.
Q Give him a copy of the application.
A Your question?
Q Well, my question was all of the persons who are stated in your application, are all of those persons still connected with MCII?

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A Yes, sir.
Q Okay. I thought you were making some distinction earlier, and I may have misinterpreted your answers. I thought you were making some distinction between who were involved in it initially and who's involved in it now. But you were making no such distinctions?
A In respect to whom?
Q MCII.
A And what individuals? What scenario?
Q Any individuals in the application that deals with MCII. You're the president of MCII.
A Ask me the exact question I can answer you. As a partner or as a board member?
Q My question is: Any person that you listed in MCII that's about MCII, are all of those persons you have listed there, are they still connected in the capacity to which they were connected at the time that application was filed?
A Yes, sir.

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Q That's all I'm trying to find out.
Now, who are your board members?
A Myself.
Q The current members of the board of MCII.
A Frank Thomas, Greg Carr, Gary Nichols, Adam Fuller, and Jim Barganier.
Q Now, if you'll give us those a little slower and indicate that the office they hold.
A The only two officers are myself and Greg Carr.
Q And what offices?
A The president and vice-president.
Q And you said earlier that Greg Carr was the treasurer.
A Greg Carr has handled any and all clerical details for the whole thing.
Q But is he the treasurer or not?
A He's the vice-president.
Q Well, now, give me again who the officers are of MCII.
A Frank Thomas and Greg Carr.
Q And Frank Thomas is the president.
A Yes, sir.

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A Yes.
Q And is that also true today? Let me change that first and ask you: Are these same persons that you've listed at that time, are they still all on board as far as expressing an interest now in making a financial investment?
A Yes, sir.
Q Have they signed anything in writing?
A No, sir.
Q Is there anything different today in terms of the kind of commitment they made different from the time they applied and now?
A No, sir.
Q So, there is nothing to compel either one of those if they elected not to, even if you got the license. There was nothing that would compel them to make an investment if they didn't want to.
A There were --
Q I mean, nothing legal --
A No, sir.

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Q -- that you could enforce.
A No, sir.
Q And on the other hand, if you got the license and you didn't want them to invest, there is nothing they could do to make you let them invest, is there?
A My word.
Q I mean, other than your word.
A No, sir.
Q No legal documents.
A No, sir.
Q All right. What funds are there available to finance this project other than the $10 million you hope to personally receive as Frank Thomas when you sell it to MCII?
A Several entities have expressed an interest, several individuals as well.
Q Do you have any commitment from any corporation to finance it?
A I did not want to rope myself to any corporation. No, sir.
Q The answer is no?
A No.

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Q Do you have any firm commitment from any individual?
A To?
Q To finance it.
A No, sir.
Q Do you have any firm commitment from any person, firm, corporation, or legal entity to finance this project, anything firm?
A Yes, sir.
Q What?
A The agreement with Gaming Capital.
Q Now, the Gaming Capital, I thought that was just an agreement to buy some equipment --
A It is.
Q -- and that's all.
A Yes, sir.
Q Other than that, is there anything else?
A No, sir.
Q Okay. What -- If your proposed plan is built according to the plans and specifications set out therein, what is the estimated total cost?
A Today?

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Q Yes, because you would have to build it today, wouldn't you?
A Right. Well, it's -- naturally construction cost has significantly increased with Katrina and prime --
Q Just tell me the figure.
A North of sixty, south $70 million all inclusive.
Q Between sixty and $70 million dollars?
A Yes, sir.
Q And you don't have a firm commitment from anybody to finance that sixty to $70 million dollars?
A No, sir.
Q How much did you pay Joe Turner?
A Forty-five thousand ($45,000) dollars.
Q Forty-five thousand ($45,000) dollars to do what?
A To act as a lobbyist to keep me posted with what was going on at the State level --
Q State level?
A -- and help speak with David Warren.
Q You paid that lobbyist forty-five thousand

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($45,000) dollars. You paid -- And you paid him that to speak to your friend who you visited him in his house and you-all hugged each other. And you paid Donald Watkins a million dollars to serve as a consultant. Who else have you paid something in connection with this project?
A Accounting to Jackson Thornton.
Q How much is that?
A Around ten thousand ($10,000).
Q And who else have you paid anything in connection with this project?
A For the clearing.
Q How much?
A Probably forty thousand ($40,000) dollars.
Q Forty thousand ($40,000) dollars to clear it. Who else?
A Attorneys.
Q How much?
MR. THOMAS: On attorneys, we're going to object.
MR. GRAY: I'm not asking details. I'm just asking, and he's claiming

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that he's suffered damages. I'm just asking amounts.
Q And I'm not asking you which attorneys got what. Just for an amount. Total amount for attorneys fees that's been paid so far.
A Fifty thousand ($50,000).
Q Fifty thousand ($50,000). Total amount that's obligated to be paid?
A None, as of now.
MR. THOMAS: To what now?
A I don't know.
MR. THOMAS: Answer the next question
MR. GRAY: Okay. My question is what you said. I'm not talking about -- I'm serious.
MR. THOMAS: We just want the record clear.
MR. GRAY: You want the record clear.
A I do not know.
Q You have indicated that you have paid fifty thousand ($50,000) to attorneys fees, and I don't want to know who those lawyers were.
A Yes, sir.

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Q And you talked about a slew of them. What is the estimated cost for future attorneys fees in connection with this?
A I have no idea.
Q In your best judgment.
A I would love to estimate low. I have no idea. I have no idea.
MR. THOMAS: I know he ain't got no idea.
A Let's don't run my attorney off here, now. I do not know.
Q Let me just ask you: Do you think it will exceed the amount that you paid your consultant? If you paid the consultant a million dollars, wouldn't you think that the lawyers fee would probably be in excess of that?
A I have no basis by which to make that decision, Mr. Gray.
Q Okay. All right.
A I certainly hope not.
Q All right. Thank you very much. I appreciate you answering my questions.

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A Thank you.

CROSS-EXAMINATION

BY MR. THOMAS:
Q I've got a few for you. As you have stated in your complaint and application for injunctive relief, you will be seeking from the Court if you prevail on this lawsuit an award of a reasonable attorneys fees on your behalf; is that correct?
A Yes, sir.
Q Okay. And nothing you told Mr. Gray precludes that; is that correct?
A No, sir.
Q Right. Now, if I could, let me ask you this: On any occasion, Mr. Thomas, has Sheriff Warren ever advised you that the application that he received on behalf of Reach One Teach One and MCII has been denied?
A No, sir.
Q Did you understand my question?
A Yes, sir.
Q Okay. Have you ever received anything in

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what it was; and, B, with the track record of rules changing that actually set the regulations for the industry. It would be a bad investment because you could have a $15 million building that could be absolutely perfect, but the Sheriff didn't like the color of it or changed the rules the day before, and then you've got a $15 million building in Macon County, and you'd have the only one.

Q **And actually the design that you submitted with your application would cost how much?**

A Well, I mean, it was at $16 million at that time. It would probably be $25 now because we've added --

Q **The design of the building?**

A Oh, how much did I pay for the design?

Q **No, no. The facility to be constructed that you proposed, the schematic scheme you've given us, what's the value that you said it would be?**

A The total including machines is $60 to $70 million. The building itself is in the $20,

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$25, $30 million.

Q **Okay.**

A Improvements.

Q **So, for your building, it would not just be fifteen -- I'm sorry. For the building that you are proposing to build, it would just not be $15 million.**

A It would be well over $15 million for the building alone without any fixtures.

Q **Would be how much?**

A In the $25 million range.

Q **Okay. So, you would be asked to put $25 million in the ground and hope that the Sheriff would approve it as a qualified location.**

A To build what I have planned, yes, sir.

Q **Okay. And I would also assume that one of the reasons or the lack of the building is why you don't have the liability insurance for the building, right?**

MR. GRAY, SR: Objection to the form.

A There is nothing to insure. There's nothing to insure.

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Q **Just one second, Mr. Thomas. Just for the record, who is the one qualified location that you know of in Macon County to conduct Class B bingo gaming?**

A Victoryland or d/b/a Macon County Greyhound Park or vice versa.

Q **And if you were granted such a status, you would be in direct competition with Victoryland, wouldn't you?**

A It can be certainly, yes, sir. I take it as that. I'm not out to get Victoryland. I simply want my own opportunity. But we would be doing the same thing in the same market.

Q **And do you know of any reason why you should be denied the same and equal opportunity that the operators and owners of Victoryland enjoy?**

A No, sir.

Q **Do you think you are entitled to an equal opportunity?**

A I certainly do.

Q **Let me check this here. I just want to**

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clear up something about this check. As I understood your answers to Mr. Gray's questions, you had nothing to do with anything relating to this contract other than receiving it and looking at it; is that accurate?

A Well, yes. I didn't receive it. It was received at Greg Carr's office.

Q **In a mail shoot?**

A Yes, sir.

Q **Is that the type of thing where a door has a little thing in it, and you slide something through it?**

A Uh-huh (positive response). I didn't receive it at the mail shoot. Greg Carr received it at his office.

Q **Okay. So, all you've ever done is just simply seen this document; is that correct?**

A Sir?

Q **All you've done is simply seen this document.**

A Correct.

Q **Okay. You were asked some questions about**

EXHIBIT 2

Transcript of the Deposition of:

Walter Walker

Date: August 18, 2006

MACON COUNTY INVESTMENTS, INC, et al

Vs

SHERIFF DAVID WARREN

Case No. 3:06-CV-224-WKW

Boggs Reporting & Video
Phone:334.264.6227
Fax:334.285.0448
Email:jboggs@boggsreporters.com
Internet: www.boggsreporters.com

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for by the Statute, regardless of the waiving of the filing of same.

It is further stipulated and agreed by and between the parties hereto and the witness that the signature of the witness to this deposition is hereby not waived.

[6]

WALTER WALKER,
of lawful age, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

THE REPORTER: Usual stipulations?
MR. THOMAS: That's fine. Read and sign.
BY MR. GRAY, JR:
Q Sir, my name is Fred Gray, Junior. Along with Fred Gray, I represent Sheriff David Warren in his official capacity as Sheriff in this action. I'm going to ask you a series of questions today. If at any time I ask you a question that you don't understand, let me know that you don't understand it, and I'll be happy to rephrase it. Or if you don't hear me when I ask you a question, if you will let me know, I'll repeat the question or questions similar to it.
State your name for the record, please.

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A Walter Walker.
Q And, Mr. Walker, I'm going to show you what has been marked as Defendant's Exhibit Eight.
(At which time, the referred-to document was marked as Defendant's Exhibit No. 8 by the Reporter.)
Q I'll show it to your lawyer first and then to you. And upon review -- Let me know once you have reviewed that document, sir. Have you had a chance to review it?
A I looked at it.
Q Okay. And have you seen -- What is it for the record? What is this document? What's the title of it?
A In the United States District Court for the Middle District of Alabama, Macon --
Q Let me interrupt you. Just come down to -- just a little bit further down in the middle of the page.
A It says, "Sheriff David Warren in his official capacity as Sheriff of Macon

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County, Alabama."
Q Come down a little bit further to the middle of the page.
A "A defendant's notice of deposition Duces Tecum or the Reach One Teach One of America.
Q Okay. All right. And have you seen that notice of deposition before today?
A This? Yes.
Q All right. And it requests certain documents in addition to your attendance here today.
A Yes.
Q Do you have the document or any documents in response to the request? Have you brought any such documents today?
A The 1023 you should have got from Greg Carr. The minutes of the board burned up in my personal L320. The copy of Reach One's annual federal report does not require me to set tax because of income. I haven't gained anything above twenty-five thousand ($25,000) dollars.
Q All right. Let me see. So, with respect to

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number seven, copy of all IRS Form 990s filed by Reach One Teach One.
A We don't have to. The only time you do that is when you go above twenty-five thousand ($25,000) dollars.
Q And you have not --
A No.
Q -- exceeded that threshold, and that's why you have no copies here today.
A Precisely.
Q Because you haven't filed none.
A Precisely.
Q Okay. And with respect to the Form 1023 completed by Reach One Teach One --
A Well, that was given to, I think, Attorney Carr. Attorney Carr has that.
Q All right.
A And he should have given it to you. He said he had it. I thought he gave it to you.
Q Okay. Did he give that to you in response to his request for that particular form?
A No. Why would he give it to me? I had it, and I gave it to him. I did the 1023.

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Q All right.
A I gave it to him.
Q All right.
A Okay.
Q And you don't have a copy here today?
A No. If he told me to bring one, I would have.
Q All right.
A I was under the impression that he had it.
Q All right. So, you're saying you don't have it.
A Correct.
Q You don't have a copy?
MS. JONES: Do you have a determination letter?
THE WITNESS: Letter of Determination?
MS. JONES: Un-huh (positive response). But we didn't get it.
Q But you have given a copy of your 1023 to Attorney Greg Carr?
A Yeah.
Q All right.
A If not, I'll go home and pull up another

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one.
Q Let me ask you this question: What's your position with Reach One Teach One of America, Inc.?
A Founder and president.
Q And when was it incorporated?
A April 8th, 1996.
Q Yes, sir. At that time, did the corporation have an attorney?
A No.
Q Even right now, does the corporation have an attorney?
A Well, yes, because I asked Greg Carr to do that. We had spoken to Ms. Biggers a long time ago, but that was his job. But, no, Greg Carr is the latest one.
Q All right. And he is your attorney right now?
A Not officially. You know, it's just mouth-to-mouth. It's nothing on paper. You know, I had asked him once that I found what they were trying to do. And, well, we were -- We need something because I have an

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MOA of Jowayayjan entertainment, which is also correlated with Reach One Teach One.
Q All right. And we'll get to that. And when you say "MOA," what is an MOA?
A I'm sorry. MOU.
Q Okay.
A Memorandum of understanding.
Q And you have a memorandum of understanding with who?
A Well, Jowayayjan Records.
Q Spell out Jowayayjan.
A It's the first two letters of my daughters -- my children's names: Joyce, Walter, Yolena (phonetic), Y'Jori, and Andrenica.
Q All right.
A J-O-W-A-Y-A-Y-J-A-N.
Q All right. And you have a memorandum of understanding between Reach One Teach One of America and that particular entity?
A (Nodding in the affirmative.)
Q And how do you pronounce it again?
A Jowayayjan.
Q Jowayayjan?

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A Joway -- yeah.
Q **Jowaya.**
A Yeah. Jowayayjan.
Q **Yes, sir. Okay. And I think you said, yes, there is a memorandum of understanding between that entity and Reach One Teach One of America?**
A Yeah, it simply means --
Q **I don't want to ask you about it just yet.**
A Okay.
Q **There are some other things I want to get to before I get to that.**
A Okay.
Q **We also requested a copy of all minutes from meetings of Reach One Teach One.**
A Remember I told you they burned up in my ML 320 on Highway 80.
Q **All right. So, when you say your "ML 320," that's an automobile?**
A Yeah.
Q **All right. Yes, sir. And when was that fire?**
A Oh, my goodness. August 4th -- August 9th

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2004.
Q **August 9th, 2004?**
A Uh-huh (positive response).
Q **All right. And were the only minutes -- Well, were the only minutes that you had in that car?**
A No. All the minutes were in the car. See, with us -- Well, I'll let you ask that question. Do you want me to explain it?
Q **Go ahead.**
A Yeah. Minutes are only done annually unless I call something special. If there's a special event, I call for a special meeting. So, you know, if there was something special we had the minutes. When we would go places, do things, we call special minutes. We would write everything, me and my wife would. Minutes are only annually.
Q **All right.**
A So, every year we get down blah, blah, blah. See what's done for the year. Or if there's some special reason or a new board member or striking of a board member or some special

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specificity or occasion or something like that.
Q **So, does Reach One Teach One of America meet more than once a year?**
A If it's a reason to.
Q **All right.**
A And we had, and there were reasons to.
Q **All right. And we'll go through those momentarily. We also requested a copy of your annual tax return filings for the years 2000 through 2005 inclusive to which you have responded --**
A Yeah.
Q **-- that you don't have any such filings; is that correct?**
A Yeah. Don't need to.
Q **Okay. And when you say you don't need to --**
A That's an NA, not applicable.
Q **All right. And why is it not applicable?**
A Because, again, you've got to have twenty-five thousand ($25,000) dollars more of grant money.
Q **Got you. In revenue?**

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A Grant money. Grant money.
Q **All right. Now, what's your date of birth, please, sir?**
A 11/9/48.
Q **How old are you?**
A Fifty-seven.
Q **What is your current mailing address?**
A 211 Oslin Drive, Tuskegee, Alabama, 36083.
Q **All right. And what is your current physical address?**
A 211 Oslin Drive, Tuskegee, Alabama, 36083.
Q **All right. And whose name is that property titled?**
A Walter Walker, heir of Cora Fan Walker.
Q **All right. So, now is the title actually in your name, or is the deed still in your mother's name, the title itself?**
A I had the titles put in all of my brother's name. I gave them all a piece of the house. So, my house is still -- you know, it changed. I changed it.
Q **All right. In whose name is the property assessed?**

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friends.
Q Whose idea was it to form Reach One Teach One of America?
A Mine.
Q Okay. And what generally was the purpose? What did you have in mind when you organized it?
A Actually, it was a way that I found out that I actually could get free money to help the people in the community. What really blew my mind and when I came back to Tuskegee, it was in worse shape than the way it was when I left it in '67. So, I come back in '92, and I look at the buildings. My God, what's happening here? So, then I -- we're talking to -- You know, we go to church. We started visiting the churches around, and we see so many disparaging old people. We see people that needs help. The front of the houses are falling in. So, then I got with a guy out of Atlanta named Billy Paul, and he actually put together a 501(c(3) for me, helped me in getting one.

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Q Had you ever done one before?
A Not before he taught me, no.
Q All right. And did you find the process easy to do?
A Yeah. I've got a pretty good brain.
Q All right. So, in 1996, what did Reach One Teach One of America actually do?
A Well, what we began to do is actually get with the kids, formulating scholarships. We researched Washington, all the free programs we had out there. And Washington would send us all the books they had and all the programs they got. Then we got all the programs that's beneficial for Tuskegee. They would actually -- We got all the funding sites that the United States had. Then we got -- They sent us sheets of all the big funding sites that the Federal and local government's are. Then we got a compilation of books of 10,200 funding sites that we can help the people.
So, what we did with the kids sometimes who didn't have money, we would

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actually show them -- because I didn't know there was five or six different Pell grants in the State of Alabama. But the kids, they knew. So, we would actually write them and actually get the kids money for school.
Q All right. So, in 1996, that year that you started, that year, what -- is there anywhere --
A No, no, no, let me stop. Listen.
Q Are you correcting something that I just asked you?
A No. Yeah, I'm going to correct something.
Q Okay.
A When I say what did they do in '96. In '96 from an official capacity, only we registered in the City, because until the Letter of Determination comes, we could not get the grants. However, we can function as a 501 until a Letter of Determination comes in. And it came in later on in '97.
So, you know, any time that we get the Letter of Determination, they actually prorate and go back to the time you

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initiated -- that you started your incorporation. So, until that time, we couldn't actually start dealing with the big government. But we were actually -- we were functioning in the community.
Q All right. Did you open a bank account?
A Yes, we did.
Q All right. And where is that account?
A It's at Maxwell Air Force Base, Montgomery, Alabama.
Q And is that account in the name of Reach One Teach One of America?
A It is, yes.
Q Okay. Does it have money in the accountant currently?
A No.
Q When is the last time that there was money in that account?
A Probably in July.
Q July of 2006, last month?
A Yeah. Mr. Thomas put it in for us.
Q All right. How much did he put in at that time?

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A Ten thousand, five hundred ($10,500).
Q **And what was that for?**
A Well, actually he put ten thousand, five hundred ($10,500) in for me to, you know, help the people of Macon County. And what I did, I sat down with him, and I told him I would -- actually, I would rather deal with the schools because that's who we'd been helping, you know, giving them paper and pencils and stuff. So, I sat and I talked to May Doris Williams. I talked to Mr. Asbury, and I talked to Doris Coleman.
Q **All right. Let me interrupt you for just a moment. You talked to May Doris Williams. Who is May Doris Williams? What is her position --**
A She is a principal of a school.
Q **-- in the school system?**
A She's the principal at one of the elementary schools.
Q **All right. And you said you also spoke to Mr. Asbury.**
A Asbury.

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Q **What's his first name?**
A I don't know. I can't remember.
Q **All right.**
A Principal Asbury is with Tuskegee Public.
Q **All right. And that's an elementary school in Tuskegee?**
A Uh-huh (positive response).
Q **To the best of your knowledge?**
A Uh-huh (positive response).
Q **All right.**
A And I spoke to --
Q **You said Doris Coleman.**
A Ms. Doris Coleman.
Q **All right.**
A I think she's changed schools. She was the principal at Washington Public. I think she's at the new school, whatever the name you guys call it.
Q **All right. Elementary school?**
A Yeah.
Q **All right. So, you spoke to them. Go ahead.**
A And I spoke to them, and I asked them, I

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said, "Listen. You guys got" -- I said, "I have some money I want to try to get to you." Oh, yeah. Excuse me. And I spoke to Little Treasures, Barry White's wife.
Q **All right. When you say "Little Treasures," is that --**
A It's a day care center.
Q **All right. Okay. Barry White is deceased.**
A Yes.
Q **Okay. And his wife owns a day care center --**
A Yes.
Q **-- in Macon County, Alabama?**
A Yes, yes.
Q **Okay. Go ahead.**
A Anyway, I told them that I am going to get some money, and I asked them was there anything they can use. I can help them. So, they all said they were making some trips somewhere, and that would help the kids on the bus trip. So, I told them I can give them two thousand ($2,000) dollars each. And, oh, they praised and hugged me.

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That's fine. Blah, blah, blah, blah, blah, blah.
Q **Now, when is this? Is this last July?**
A Whenever he gave me the ten thousand, five hundred ($10,500).
Q **All right. I understood you to say that he gave it to you in July of 2006.**
A No. Well, whenever we got it. I'm not -- I'm a stickler on days. Whenever we got the ten thousand, five hundred ($10,500) that they gave the money back that they showed you the letter of.
Q **All right.**
A What date was on that?
Q **I don't know.**
A Okay. Whatever date was on that.
Q **All right. So, whatever the date of the check is you're saying that's when --**
A That's when -- yes, yes.
Q **That's when the conversation was, or that's when you got the money and put it back in your account?**
A Oh, no, no, no, no, no.

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it. But it tells me in Isaiah 23:17 to 19 that I can take that money and make it righteous to those people that sinneth in err.
So, my thing is not the mumbo, jumbo and wrangling that you guys are going to do to keep the money -- You know, because you want to keep the money there. My whole thing if they give me the money, is to take -- once you place it and actually give it to the people, actually give it to the people. I don't mean put it in their pockets, now. Actually give it to the people.
Q **All right. Now, did you -- I'm going to go back and do some of this other background stuff later.**
A Okay.
Q **But at some point in time, did you on behalf of Reach One Teach One -- were you recruited by MCI?**
A Johnny Ford called me at my house and told me he wanted me to meet with Attorney Tom

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DeBray.
Q **All right.**
A And that he wanted me to speak with them and join forces with MCI.
Q **All right. Now, when did Johnny Ford call you?**
A I have no idea, man. It was sometime in 2000 -- I met Mr. DeBray, 2004.
Q **All right. What part of 2004?**
A I don't know, man. I just don't know. You know, because it wasn't important to me like that.
Q **All right.**
A I have no idea. I just know we sat down in the Kellogg Center and talked to him about -- At first, you know, I told him he had to convince me that I wanted to do this. And what he told me they were trying to do, it sounded like a good deal. I said, "Okay. You know, I'll join you."
Q **So, the first contact was with Mayor Johnny -- Was he State Representative at the time, or was he the mayor?**

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A State representative. Well, it was in 2004. You don't know.
Q **I can't answer it. I have to ask you the questions.**
A I have no idea.
Q **All right.**
A It was Johnny Ford.
Q **Whatever his capacity was, he called you?**
A Yeah.
Q **All right. And so, your initial discussion was over the phone.**
A Yeah.
Q **All right. And Representative Ford told you that he wanted you to meet Tom DeBray.**
A Yeah.
Q **Had you even heard of Tom DeBray before then?**
A No.
Q **All right. And you met initially at the Kellogg Center --**
A Yes.
Q **-- on Tuskegee University's campus.**
A Yes.

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Q **Who was at that meeting?**
A My wife, Tom DeBray, and myself.
Q **Johnny Ford didn't show?**
A No.
Q **All right. So, how did you two know each other? How did you recognize each other?**
A Well, he told me what he would be wearing, and I told him what I would be driving and what I would be wearing.
Q **All right. So, you met him in the parking lot or outside?**
A I met him inside.
Q **So, then it wouldn't matter what you would be driving.**
A Well, if he was outside, I told him what I'd be in, what I'd be coming up in. You know, I gave him the full thing. It's not so much where I would be. I said I would be in a black ML320. I'm wearing such and such and such. So, if you're outside, that's what I'll be in. If you're inside, that's what I would be wearing.
Q **All right. So, you met him there?**

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A Yeah.
Q **And about when was that? Let me ask you like this: How long after your conversation with Johnny Ford was it that you met with Tom DeBray?**
A I have no idea. I don't know. Maybe a month. I don't know. Maybe a week, maybe two weeks. I don't know.
Q **All right.**
A It wasn't that important to me.
Q **All right. And let me go back to your conversation with Johnny Ford. What did he say to you?**
A He said, "Reverend Walker, I want you -- this guy you will be talking to, he's going to contact you. They're going to call you and ask you about getting with" -- I don't remember verbatim. "They want to talk to you about you joining your 501(c)(3) with them." And he said, you know, "You sit down. You listen to what they got to say, and you determine what you want to do." I said, "Okay." And I said, "What's it about?" And he said, "Well, he'll talk to you about it." Then he called me a couple of times, and I said, "Okay. We'll meet. We'll meet at the Kellogg Center." Then we sat down, and we talked. Then he told me what they were trying to do. And I said, "Well, that sounds like a good deal."

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Q **All right. Now, let me go back. You said he called you a couple of times. And when you said "he" --**
A Tom DeBray.
Q **Right. Now, let's go through the first time that he talked. What was that conversation concerning?**
A Trying to set up an appointment.
Q **All right. And about how long did you talk in that first conversation to try to schedule an appointment?**
A Forty-five seconds.
Q **All right. But you talked again before you actually met. So, what was that second conversation?**
A We set a time and a date.

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Q **Yes, sir. And then you met.**
A Yes.
Q **All right. Tell us about that conversation or about that meeting. You had stated a few moments ago that you and your wife and Mr. DeBray met.**
A Well, basically, what he was talking about actually trying to recruit a bona fide 501(c)(3) that have been in function. You know, been in existence at least ten years.
Q **Did he say that he had had any trouble locating or identifying 501(c)(3)s?**
A He didn't tell us nothing. I wasn't interested in that, no.
Q **Okay.**
A And so, he just basically explained, you know, what they were trying to do, you know.
Q **What did he say they were trying to do?**
A With the bingo.
Q **What did he say they were trying to do with the bingo?**
A They were trying to get 501(c)(3)s to come on board. They could not do it unless they had a bona fide 501(c)(3).

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Q **Okay. Did he say they were just trying to get one or were they trying to get 501(c)(3)s there?**
A Hold up. They were just trying to get me. He never told me about anybody else. He was just -- just him and I.
Q **All right.**
A So, him and my 501(c)(3).
Q **Okay.**
A So, that's all we talked about, me coming on with him.
Q **All right.**
A They never told me about who else, or whatever, who else is trying to do it, who won't do it or who will do it.
Q **All right.**
A We was talking about Reach One Teach One with him.
Q **Okay. And about how long was that conversation?**
A About maybe 40 minutes.
Q **Did he tell you what benefit it would be for**

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Reach One Teach One to join up with them?
A No. He threw out some nominal numbers, but he, you know, couldn't say. But we weren't really -- You know, we actually gave him ideas and other things, you know, that we were doing that would actually benefit that we're also actively involved with. And we told him, well, it sounds good, you know. And he never gave us -- you're going to make this amount of money or this amount of money, blah, blah, blah. Because, you know, we're not really so much as worried about the money. You know, but if it does come in, we're going to use it to the benefit of the community. But then we started telling him what he could actually -- if he didn't do the bingo thing -- to actually invest in that was good for the community and was good for the kids. Like the little -- We went to Washington D.C. And they had, like, a little go-cart.
Q You're telling him this was an idea that you --

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A Hold it. That's not --
Q You're not saying that you and your wife and Tom DeBray then to Washington, D.C.?
A No, no, no, no.
Q Okay.
A My wife and I. We travel.
Q All right. So, this was something that you told him about.
A Yeah. Hold it. I'll just cut this short.
Q All right.
A We just told him other things that they can do to make money other than bingo.
Q All right. Did he seem receptive to that?
A Yeah, he liked it. Oh, yes.
Q Okay. Have you seen the results of any of your discussion with him as far as other ideas are concerned?
A Well, no, because after that fact, I think -- after maybe -- He kept telling me that -- He said they were having trouble, and I said, "Okay. Whenever." And he kept telling me blah, blah, blah. And that they had raised the stakes from fifteen thousand

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($15,000) to two hundred and fifty thousand ($250,000). But it was all Greek to me. I didn't care. I said, "Well, okay. Whatever." Then they went on talking about the $15 million and all this. And I said, "Whatever." Because it wasn't important to me. I said, "So, whenever you're ready to go, it's good." But, you know, that's -- But then Mr. DeBray from him -- Then Greg Carr called me. And that's maybe a year between.
Q All right. I was going to ask you because it sounds like you had several conversations with Mr. DeBray starting whenever it was in 2004 before Greg Carr. You said that it went up from one amount to another.
A No, no, that was -- Oh, yeah. Yes.
Q You said --
A When he called me, and he said, "Well, you know, we're having trouble," blah, blah, blah, blah, blah. And I'd say, "Whatever."
Q All right.
A The conversation went -- it wasn't long. It

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wasn't long. See, I'm not interested in that part of it. I didn't care about that. Whenever you're going to use my 501(c)(3), that's what I'm worried about.
Q Okay.
A Once you roll with that, the conversation was 30 or 45 seconds. "Whenever. Tell me whenever you're ready to go."
Q All right. So, now, at the time that you met him in 2004, did he, Tom DeBray, give any money to you? And when I say "you," I mean Reach One Teach One of America.
A No.
Q Okay. Or did he give any to you personally?
A No.
Q Okay. Or to your wife?
A No.
Q All right. And about when in 2004 do you think that was?
A I have no idea, man.
Q Was school in session at the university?
A Yeah.
Q All right. Was it football season?

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A Yeah.
Q All right.
A All good, man. That's good. It was around November or December. That's right. Football due.
MR. GRAY: Football in Alabama triggers everything.
A Yeah.
Q Okay. Off the record for a moment.
(At which time, there was an off-the-record discussion.)
Q So, it would have been November or December of 2004. So, would it be fair to say, then, that the first time anybody contacted you concerning using your 501(c)(3) for bingo purposes would have been November or December 2004?
A Yeah, when they actually said the word "bingo." But Johnny contacted me first.
Q All right. And when Johnny contacted you, it would have been maybe a month before then.
A Yeah.

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Q All right. All right. In the year 2004, let me -- I want to ask you some questions about Reach One Teach One of America.
A Okay.
Q Let's start in 2000. Do you have any records or any minutes or any notes or anything that will tell a person whose interested in knowing about Reach One Teach One of America what it did during any of those years? And when I say "what it did," I mean as far as scholarships that it gave out or children that it helped or anything like that.
A No. All I did is I taped. We would tape. We've got a tape of it. That's the only thing I've got left, and I had it in my house. You know, I've got -- I had one of the tapes in the box, and I had one of the tapes at home. And I got -- my daughter has my car now, and I actually brought the tape and left it. So, I didn't know if you wanted to see it. But I've got a tape of when -- Because everybody we help, we tape

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them. We let them talk to us and how we correct it and say the things because we're working closely with -- I forgot his name. He's down in the United States Department of Agriculture. I work with him and with ADECA and with the man with the Community Actions here in Tuskegee.
Q Yes, sir. So, you have a tape that will tell us --
A Some things, yes.
Q All right. And when was this tape recorded? Is this a cassette tape or a videotape?
A VHS.
Q Okay.
A It's going to be anywhere between '98 to 2002 or '03, something like that.
Q Yes, sir. All right. So, then let's --
MR. GRAY, JR: If you would, counsel, we would like a copy of the tape.
MR. THOMAS: Okay. Do a discovery request.
MR. GRAY, JR: Well, we already have filed a discovery request.

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MR. THOMAS: For the tape?
THE WITNESS: For the tape?
MR. GRAY: For anything. It's broad enough to include the tape. You can check it and see. If not then...
A I don't think so because I don't think they knew I had it. And actually, I had to locate it.
Q All right. Let me keep going for now, though.
A Okay.
Q Okay. So, that tape will cover individuals that you helped --
A Yes, yes.
Q -- for the period about 1998, you said?
A To 2002. I'm not for sure. I'm not for sure which ones because there's two tapes. I'm not for sure.
Q So, you have two tapes?
A No. One burned in my car, now.
Q All right.
A One burned with the minutes, you know,

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him, he was here.
Q All right. Do you have anything in writing on anything that you did concerning for the chapel church --
A No.
Q -- or people that you assisted?
A No.
Q Now, for the year 2004, are you able to tell the Court specifically what Reach One Teach One of America, Inc., did in furtherance of its corporate purposes during that year?
A 2004. Probably did a lot of things. I can't recollect, you know, one thing we did in 2004.
Q What about for 2005?
A 2005, we did. I would have to -- You know what? I wish I could put my wife on speaker phone because she --
MR. THOMAS: You can't do that.
A She knows. She keeps up with this stuff. I don't know.
MR. THOMAS: Answer to the best of your ability.

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Q Would it be fair to say that your wife, who is the vice-president of Reach One Teach One of America, would be the one who would be most knowledgeable concerning the activities of Reach One Teach One?
A No. She gives the clinic. And some things, she just remembers more than I do because they're not that important, you understand, other than just helping. See, the purpose of you is to try to find out if I'm legitimate. When I was doing it, I wasn't thinking that anybody would come back and say, well, you've got to remember what you did this day and remember what you did that day. Remember what you did this year, blah, blah, to prove that you are somebody or prove that you are legitimate.
No. All I know is I've got a 501(c)(3). We're legitimate. We've been working in the community, and you just have to draw it from there.
Q All right. We don't have the names or specific instances other than what you've

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able to --
A That's it. That's it.
Q Okay. All right. What about for the year 2006?
A No.
Q When you say "no," what do you mean?
A Other than what we did with the schools. Not with the schools, with the two day care centers, with the other small entities.
Q All right. What did you do with the two day care centers in 2006? Strike that.
What two day care centers did Reach One Teach One of America benefit?
A Little Treasures and Jessie Tatum's wife. I don't know what the name of her thing is.
Q All right.
A Do you know Jessie Tatum?
Q Yes.
A Okay.
Q So, what did you do?
A We gave them two thousand ($2,000) dollars each.
Q All right. That's in 2006?

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A That's in March, in March.
Q Oh, that's this same money?
A Yes, same money.
Q This money returned is the two thousand ($2,000) dollars?
A Yes, yes, yes.
Q So, really you didn't do anything because all the money was returned; is that correct?
A No. I just said I gave them the money. See, your mind is boggled up with school. I said Little Treasures Day Care Center.
Q Did Little Treasures Day Care Center negotiate the check that was given to it?
A They kept the check. They spent it.
Q All right. Okay. And what about the other day care center?
A They spent it.
Q All right. Now, did you take a picture giving them any money?
A Yeah. You saw it in the paper.
Q You did take a picture?
A Yes. You saw it in the paper.
Q So, you thought it was important at that

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time so that people would know that you did
that?
A Any time you do anything with a 501(c)(3), you do it with paperwork or you promulgate it in the papers. Even if I did -- if I never got one from anybody, whatever money I get, they do it. You know, you see the big checks when they do it in all the papers, the 501(c)(3)s that they're giving money.
Q So, then, in 2005, what did you do in 2005 that's in the newspaper?
A Nothing.
Q Nothing?
A Uh-uh (negative response).
Q 2004, is there anything that would show us such as newspaper articles or newspaper pictures where Reach One Teach One is doing something for some people that it said was --
A Yeah, well --
Q -- created to help?
A 2003, 2004, you might check the Tuskegee News because I think we did that other than

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taking the pictures. You know, it's -- it's the nonprofit prerogative whether they promulgate it that way or actually just keep a record of it. But I do it regardless, you know, or try to actually show the public what's happening.
Q All right. Now, let's move on to bingo. Do you have or does Reach One Teach One have any experience in operating a bingo facility?
A No, we haven't.
Q All right. But you're familiar with Macon County Greyhound Park, aren't you?
A Yes.
Q And Victoryland?
A Yeah.
Q Have you ever been to Victoryland?
A No.
Q Never been?
A No.
Q All right. Do you know whether your wife has ever been?
A No.

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Q It's odd to hear a person from Macon County say they have never been. Why haven't you been?
A I have no need to gamble.
Q Okay. So, you haven't been to Victoryland because you have no need to gamble?
A That's exactly right.
Q All right. Do you have any religious objection to other people gambling?
A No, I don't. I don't. That's prejudging people. You know, like I just told you, and I gave you the scriptures to support it.
Q Okay.
A You know, whatever they do, you know, let God judge them, not me.
Q Okay. You did call it a sin, though.
A Well, because God calls it a sin.
Q That wouldn't be prejudging.
A Well, I'm not -- Let God be the judge. That's James 4:10.
Q Now, what is "Be Ye Holy Ministries."
A Be Ye Wholly Ministries is a compactor of -- which I preach from. And that started from

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Leviticus 20:7 when God said, "Be ye holy for I am holy."
Q Uh-huh (positive response).
A So, in order -- if you look at my -- all the things we do, we do also preaching. We go and preach at certain places. And when we preach, they call us under "Be Ye Holy Ministries."
Q All right. Is that a part of Reach One Teach One of America?
A It's a compactor, but it's not -- it's just like a subdivision. It's not bona fide 501(c)(3). It's just a ministry.
Q All right. Let me ask you this question about Reach One Teach One of America. Who are your current officers?
A My wife.
Q And what's her position?
A She's the vice-president, which is also equals treasurer.
Q Okay. Vice-president and treasurer?
A They're the same thing. The vice-president is always the treasurer. Me, president.

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Q Right. And we do want the record to be clear. So, is that something that you have testified to during this deposition, that now that you have had a chance to think about it, you may have given some erroneous information?
A I would not call it erroneous. I don't remember.
Q Well, some wrong information?
A Well, you can call it wrong, whatever you say.
Q Something you want to correct?
A Okay. Now, we're straight with it.
Q Okay.
A Yeah, my wife, we did -- she filed with Reach One Teach One in Tallahassee.
Q Who did that?
A Well, let's say I did because I paid the money. It was seventy-eight ($78) dollars to do so. Fifteen ($15) dollars in Georgia. Seventy-eight ($78) in -- but I haven't filed with the other people.
MR. GRAY: Excuse me.

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(At which time, a recess was taken.)
Q Sir, let me just be clear about the offices of Reach One Teach One of America, Inc. You currently have -- is it two officers?
A Now, currently, yes.
Q And that's you and your wife.
A My wife right now.
Q All right.
A Until we have the special meeting and put Ollie in.
Q Is there some meeting at which your past secretary -- or is there some meeting at which Jackie Walker was relieved of her duties as secretary?
A Yeah.
Q Yes?
A Yes.
Q When was that meeting?
A I told you a week ago. Sometime a week. I don't remember. I can get the papers for you.
Q All right.

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MR. GRAY, JR: If you will get that, Counselor, and we would greatly appreciate it since we have requested all minutes of Reach One Teach One America, Inc.
Q Now, when was the fire? You talked about the fire on --
A I told you August 9th, 2004.
Q 2004. So, your entity has met since then, has it not?
A My wife and I.
Q All right. Okay. And you're still having annual meetings, are you not?
A Uh-huh (positive response).
Q When I say "you," I mean Reach One Teach One of America, Inc. And I may just call it Reach One Teach One, if that's okay.
A It's Reach One Teach One, yeah.
Q All right. So, when was your corporate meeting in 2004? What month was it in?
A 2004 is the month we left. Let's see. We went in August, so we did it in -- We always do it at the end of the year, December 31st.

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Q December 31st?
A Uh-huh (positive response).
Q All right. So, then, since the fire was before December 31st, you should have minutes for 2004.
A 2004, uh-huh (positive response).
Q All right. And so, you have those minutes isn't that right?
A My wife has them.
Q All right. And for the year 2005 --
A My wife has them.
Q -- you have those minutes.
A Uh-huh (positive response).
Q All right. You will furnish those for us.
A I can get it.
Q All right. And for the year 2006, have you met yet?
A Well, it ain't December 31st yet.
Q All right. I thought I understood you to say that you met about a week ago.
A No, that was a special meeting. That was a special meeting.
Q Was it a meeting of your board?

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A Yeah.
Q All right.
A Yeah, but it's a special meeting. Listen, now. Let me clarify this again so you don't be redundant.
Q It's clear.
A Okay. All right.
Q You met a week ago.
A Okay. All right.
MR. GRAY: And those minutes you want to. Comes all the minutes since the fire.
A That's not a problem.
Q All right. Now, has Nadine Johnson ever been a secretary of your -- of Reach One Teach One?
A In Georgia. In Georgia. Don't you look at the papers in Georgia?
Q When was she the secretary? During what years or what months?
A I have no idea. Whatever it says on that piece of paper. You read it and tell me.
Q All right. Let me ask you something you can

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tell me about.
A Okay. Good.
Q In March 2006, you received from -- Did you receive -- Let me ask you this because I want to be right. I want to make sure I understand right. Did Reach One Teach One receive a check from Macon County Investments, Inc. --
A Yes.
Q -- in 2006?
A Yes.
Q All right. So, it was not a check from Frank Thomas --
A No.
Q -- but from Macon County Investments, Inc. is that correct?
A Yes.
Q All right. And what bank was that check written on?
A Maxwell Air Force Base Credit Union that it was deposited into.
Q So, who signed that check?
A I did.

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Q You may not have understood my question, or I may have not have asked you what I thought I asked you. What I'm asking is whether the corporation of which Frank Thomas is the president, Macon County Investments, did that corporation write a check to Reach One Teach One of America?
A I'm under the understanding that it did. The money was there.
Q You're saying you're under the understanding. So, you physically received a check from Macon County Investments; is that correct?
A No.
Q Who received the check?
A Maxwell Air Force Base Credit Union.
Q Would that have been before this March 31st, 2006?
A Yes.
Q All right. So, did they just deposit the money into your account; is that what happened?
A Yes.

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Q Yes?
A Yes.
Q So, you never saw the check.
A No.
Q So, then, do you know for a fact that it was Macon County Investments?
A I just know for a fact that's what he told me it was.
Q All right. So, Frank Thomas told you that Macon County Investments gave Reach One that money.
A Yes.
Q All right. And the money did not come from Frank Thomas.
A Not to my knowledge.
Q All right. Now, does Reach One receive monthly or quarterly statements from Maxwell/Gunter Credit Union? What's the name of it? What's the official name of it?
A Yeah. It's Maxwell -- Well, over at Gunter it's Maxwell/Gunter because of an extension of Maxwell Air Force Base. It's Maxwell Air Force Base Credit Union.

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Q All right. And you receive a monthly statement?
A I think it's every quarter.
Q Quarterly? All right. So, then the quarterly statement that would follow that particular date would have that deposit?
A It should.
Q And would it have a copy of the check?
A I'm pretty sure they would.
Q All right. And what was the amount of that check?
A Ten thousand, five hundred ($10,500).
Q All right. And of that ten thousand, five hundred ($10,500) you attempted to distribute -- As a matter of fact, you did deliver some checks.
A Yes.
Q All right. And you delivered how much?
A Ten thousand ($10,000).
Q Delivered ten thousand (10,000) dollars.
A Uh-huh (positive response).
Q Two thousand ($2,000) for three of the public schools in Macon County?

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A No.
Q Not two thousand ($2,000) each?
A You've got the letter where the public schools gave the money back.
Q Yeah, and you said no. So, I'm asking you isn't it true that you did checks for three schools in Macon County --
A Yes, yes.
Q -- in the sum of two thousand ($2,000) dollars each?
A Yes. That's yes.
Q All right. And you also did some other checks.
A Yes.
Q Was it at the same time, or was it later?
A Same time.
Q All right. And one was for Little Treasures Day Care?
A Uh-huh (positive response).
Q Is that yes?
A Yes.
Q And the other was for another day care.
A Yes.

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Q Whose name you can't recall right now.
A Jessie Tatum's wife.
Q All right. But you just can't remember the name right now.
THE WITNESS: Do you know her? She's right down there next to the --
MR. GRAY, JR: He's further away than you from having the child in day care.
MR. GRAY: He can tell you more about day care than I can.
A It's right down there on the Montgomery Highway right across from Bibb Street.
Q I'm just trying to get you to tell us. That's all.
A What's the name of that? Do you remember that?
Q That's what I'm asking you.
A I don't know.
Q That's okay. But as far as that, you wrote a check for two thousand ($2,000) dollars to that day care.
A Uh-huh (positive response).

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Q All right. Yes?
A Yes.
Q Okay. And you didn't get that check back. They spent it.
A Yes.
Q All right. Now, with respect to the six thousand ($6,000) dollars because you did get three checks back, right?
A Yes.
Q All right. Now, with that money, it went back to Frank Thomas.
A And why they did it, I have no idea.
Q All right. Did Frank Thomas -- Did Macon County Investments then deposit that back into your account?
A Exactly. Yes.
Q All right. So then, Reach One Teach One benefitted to the tune of six thousand, five hundred ($6,500) dollars; is that correct?
A They redeposited six thousand ($6,000).
Q All right. So, of that ten thousand, five hundred ($10,500) dollars, four thousand ($4,000) was distributed to day cares and

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six thousand, five hundred ($6,500) went to Reach One Teach One; is that correct?
A No. How did you get that? The money was redistributed.
Q **All right.**
A Let me --
Q **To whom did Reach One redistribute it?**
A Okay. Of the three checks, we gave it to Macon County -- I gave Frank the name.
THE WITNESS: Frank, can you remember the name? Macon County --
MS. JONES: Just answer the questions the best you can remember.
A It was Macon County -- the one that Charlie T. is over, the Little Treasures Day Care, Jessie Tatum's wife, and we have got -- There's an instrument we wanted in Tallahassee. We gave it to Tallahassee -- Reach One Teach One, Tallahassee.
Q **All right. So, you gave --**
A That's ten thousand ($10,000) dollars, brother.
Q **I don't count it that way. So, let's see.**

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You gave two thousand ($2,000) to Little Treasures.
A Uh-huh (positive response).
Q **You gave to two thousand ($2,000) to Jessie Tatum's day care.**
A Yes.
Q **All right. And the remaining sixty-five hundred ($6,500) that came back, you gave two thousand ($2,000) to some entity that you say --**
A Macon County -- We can go to the newspaper because I can't remember the names. They were the ones that came through, and I redistributed that six thousand ($6,000) dollars to them.
Q **What's the name of the entity to whom you redistributed?**
A Macon County Road something -- whoever Charlie T. is with. I don't know. Maybe Greg has got it because I wrote it all down and gave it to Frank.
Q **All right.**
A I mean, all the money was spent. Oh, I tell

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you what? I can go back to Maxwell and find out, you know, each name of those.
Q **If you would, please.**
A That is not a problem.
Q **If you would, please, because what I see thus far is four thousand ($4,000) dollars distributed, and six thousand, five hundred ($6,500) dollars in the account of Reach One Teach One not being distributed.**
A You're not listening again because I gave you more than that. I gave you more names than, you know, the six thousand ($6,000) dollars that came back.
Q **All right. If you're able at some point to come up with these names --**
A It's not a problem.
Q **-- please let me know.**
A It's not a problem.
Q **Is there an entity called -- that you're involved with called C-O-L-O-R-S?**
A COLORS.
Q **Is that an acronym?**
A COLORS, Children of the Lord's Organization

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Responding Spiritual. That's one I wrote for my daughter. She's a compactor of mine.
Q **She's a what?**
A You know, being under me, compactor.
Q **Compactor?**
A That's what I call it. Let's say -- I'll use the word, she's under my umbrella. You understand now?
Q **So, this COLORS, is that also a tax exempt organization?**
A No, no. She's just under me.
Q **What is it?**
A It's a thing that my daughter uses. My daughter wants to go out in the community wherever she is and help the kids and help with tutoring and what they call night lash kids and things like that, and out with the churches and the old people and help them with food. So, I said, "Well, you can't do that. You need some type of auspice to do that." So, I wrote Children's of the Lord's Organization Responding Spiritually, which is COLORS, and actually wrote her

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everything. I haven't got it incorporated, but I just told her, if we get money, then I can also put it down to her, and she can go out in the community.
Q Which daughter is that?
A That is Y'Jori.
Q Does Reach One Teach One have any bank accounts other than the one at Maxwell Air Force Credit Union?
A Yes.
Q And where are they?
A There's one in Tallahassee.
Q At what bank in Tallahassee?
A Florida Commerce.
Q Approximately how much money does Reach One have in the bank at Florida Commerce in Tallahassee, Florida?
A Now?
Q Now.
A Probably a negative two ($2) or three ($3) dollars.
Q All right. Let's say in July of 2006, how much did it have?

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A I'd have to check it. Maybe two thousand ($2,000), maybe.
Q Maybe two thousand ($2,000) dollars?
A Uh-huh (positive response). Maybe.
Q All right. And what happened -- You say in July -- last month it had two thousand ($2,000) dollars.
A Oh, last month of July. Oh, man, my head -- No, no, it didn't have that.
Q How much did it have in there last month?
A I have no idea. You know what I need to do? I need to go back to the records. If you want to see them, I'll just ask Reatha to print them for me and just give them to you and let you look at them.
Q Approximately how much would you say it had?
A In July?
Q Right. Last month.
A Oh, last month? Yeah, minus two ($2) dollars. I just said that.
Q Okay. Well, let me -- I'm trying to get to a point in time when it had more than minus two ($2) dollars.

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A It's been up to ten ($10,000) or fifteen ($15,000) dollars.
Q All right. So, let's go back to January of 2006 and let me ask about Reach One Teach One in Florida. In your account in Florida, how much money, if any, did Reach One Teach One have in its bank account in January 2006?
A Maybe five ($500), six ($600) to twelve hundred ($1,200) dollars.
Q Twelve hundred ($1,200) dollars?
A Maybe. I'm not for sure. I can't. You know, I just don't keep up with things like that.
Q What has Reach One Teach One done in Florida in furtherance of its corporate purpose?
A But what would that have to do with Macon County?
Q I'm asking you a question.
A But I don't understand why what I do in Florida has to do with you here in Alabama.
Q Everything Reach One Teach One does or claims to do is important to this lawsuit.

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A Oh, I see what you're saying.
Q Thus far, we haven't seen anything other than two pictures that you've told us about, four thousand ($4,000) dollars. And since you've just told me that you had twelve hundred ($1,200) dollars in January, maybe you had twelve hundred ($1,200) --
A Maybe.
Q -- and now you have negative two ($2) dollars, then we're trying to find out whether this went to help any people in accordance with your corporate purposes as set forth in your articles.
A Yes, we have.
Q Well, that's what I'm asking.
A Yes, we do, and, yes, we have.
Q Okay. What?
A We help people with the lights. We help people with -- if the kids need clothing, if the kids need shoes.
Q Do you have any written documentation of Reach One Teach One doing anything along those lines in the year 2006?

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A Other than our minutes. My wife would have that. Other than I can just produce the people.
Q **All right. Do you have any other bank accounts other than the one at Maxwell Air Force Credit Union and at the bank that you just identified in Tallahassee?**
A No.
Q **Okay. Earlier this year at Maxwell, let's just say in January 2006, did you have anything in the account?**
A Uh-uh (negative response).
Q **Nothing?**
A Uh-uh (negative response).
Q **All right. Before Macon County Investments deposited the money in your account, when was the last time there was money in Reach One Teach One's account at Maxwell?**
A Probably not in several years. Probably even longer than that.
Q **Several years?**
A Uh-uh (negative response).
Q **Okay. Has it ever had any money in it?**

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A It has.
Q **Other than that which it initially started with?**
A Yeah, but, see, that's the reason I'm not doing 990s. To substantiate a 501(c)(3), you don't need to put money in the bank to say you're doing something to people or giving money. 501(c)(3) and charitable organizations does not deal with how much money you have in the bank. It's a service to the community.
So, since -- Why would I put the money in the bank when I'm getting money fo people. I don't need to. So, when I get a charitable scholarship, I don't have to have money in the bank to give them a scholarship of money. That don't make sense to me.
Q **Okay. And where can we read about you having given a kid a scholarship?**
A Well, I don't know where you --
Q **That's what I've been asking about, sir.**
A It doesn't matter. You know, we know we di it, you know. So, whatever comes of this,

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however it is, it doesn't matter.
Q **All right. Are there any records that bear that out?**
A Other than, well, no they were burnt. No, no, we don't.
Q **All right.**
A But you don't have to have money in the bank, you know, to rectify that you're a charitable organization.
Q **No. I was asking about things that you had done?**
A Oh, okay. I thought you were asking about money.
Q **I'll show you what's been marked as be Defendant's Exhibit Ten.**
(At which time, the referred-to document was marked as Defendant's Exhibit No. 10 by the Reporter.)
Q **Is that a two-page document?**
A Yes.
Q **All right. You have before you Defendant's Exhibit 10.**

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A Okay.
Q **All right. Can you identify that document, sir?**
A Yes, I can.
Q **What is it?**
A It's a request to establish myself in Georgia.
Q **All right. And did you file this in Georgia, you say?**
A This is -- This is Georgia.
Q **Okay. And when did you file this document?**
A It says July 1, 1998.
Q **It does?**
A Yes.
MS. JONES: You have a different -- You gave us Florida, but he has Georgia.
MR. THOMAS: You marked that ten.
Q **You've got Georgia?**
A It's Georgia. Man, you see Georgia right there?
Q **Yeah. You're right. That's what I'm going to talk about.**

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had.
Q What's the name of the church?
A It's a Lutheran church. I forget the name of it. It's just Lutheran.
Q Is it the only Lutheran church in Lawrenceville, Georgia?
A It's not in Lawrenceville. It's in Columbus, Georgia.
Q Columbus? Okay. Is it the only Lutheran church in Columbus, Georgia?
A I don't know how many Lutheran churches are in Columbus, Georgia. He had a Lutheran church in Columbus, Georgia.
Q Okay.
A But he lived in Lawrenceville, so we used that particular address.
Q All right. At that time, did you live in Columbus, Georgia?
A No.
Q Did you use the Columbus, Georgia, address for this purpose?
A Yes, yes.
Q For what purpose?

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A For the 501(c)(3) of the church.
Q All right. I think I asked -- I know that I asked you about bank accounts --
A You sure did.
Q -- in Alabama and Florida. Does Reach One Teach One currently have a bank account in the State of Georgia?
A No.
Q Have you ever had a bank account in the State of Georgia?
A No.
Q Has it ever had any other bank accounts other than the two that you have --
A No.
Q -- mentioned earlier? Does Reach One Teach One have any assets?
A Now?
Q Now.
A No.
Q Did it have any assets in January of 2006?
A Assets?
Q Anything.
A Buildings, cars?

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Q Buildings, cars, personal property, real property, money in the bank, CDs, stocks?
A No, no, we can't do that. What we did I had -- What I did is -- have given several cars away, vehicles.
Q From Reach One Teach One?
A From Reach One Teach One for people who needed cars to go to work.
Q All right. When is the time most recently that you did that?
A Oh, man. Let's see. '98, 2001. Well, we're getting ready to give away one now. But I can't recollect. You know, it's one -- they're on the tape. I know one of the females I gave -- a couple I gave cars to are on the tape.
Q On the tape.
A Yeah.
Q All right. So, this would be something that happened before 2002 or 2003.
A Well, some of them I did in Alabama and in Georgia. Because right now, I got a '98 Mercedes and four or five other cars, and I

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just give them. You know, I give them away.
Q All right. But there's nothing in writing, though. So, there's nothing on that tape that's going to show us anything --
A Yes, yes.
Q -- post 2003. I mean, after 2003.
A I'd have to look at it, man. I know one we did 1996 to whatever this one started. Then we had the other one. I don't know. I'd have to look at it. I really don't know. And I have -- my TV has where the time, date stamp on it, so I'd have to put it into my TV and find out what the time date stamped on it.
Q All right. Now, on these cars that you're getting ready to give away, are these cars titled in -- Well, you say you're getting ready to give one particular one away.
A Uh-huh (positive response).
Q All right. What car is it that you're getting ready to give away?
A Well, this might be a Plymouth Breeze. And the procedures I use, actually, when it's my

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vehicle --
Q **All right. Let me ask you this question.**
A Okay.
Q **Right now, in whose name is the car titled?**
A To me.
Q **Not Reach One Teach One?**
A Yeah. I can't give it away from me. I have to put it in Reach One Teach One's name then pass it on.
Q **So, does Reach One Teach One own any cars right now?**
A No.
Q **What is the -- What is the reason that you go through Reach One Teach One to give away a car?**
A Well, it's the same way that Frank gives me money to give to you. So, if I have something, I put it into the Reach One Teach One name that it may benefit from the Reach One Teach One. If I give the car, my name is Walter Walker, then Reach One Teach One wouldn't have given it, Walter Walker would have. So, in order to relinquish that, I

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put the car in Reach One Teach One's name, take it to the particular -- find a person who actually needs the car and just title the car. The car is titled. It was titled a gift.
Q **All right. And that benefits you with your tax returns per year?**
A No, man. You crazy? No. How is it going to do that when I'm giving it from a 990 and I do a 1040?
Q **All right. So, does it benefit you, the individual, at all as far as your taxes are concerned?**
A How can it?
Q **Just say yes or no.**
A It's no.
Q **Okay. And does it benefit Reach One Teach One?**
A No, it doesn't benefit anybody. It's just giving it away. How is it a benefit?
Q **All right. Now, how many times has Reach One Teach One given a car away to a person that needed one?**

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A It's probably the third time.
Q **All right. When was the last time you did it?**
A Probably 2000.
Q **And to whom did you give a car in the year 2000?**
A I do not remember. I forget my children's names. So, I have no idea.
Q **All right. And where did Reach One Teach One deliver the Car?**
A Right down here off Montgomery Highway.
Q **Tuskegee?**
A Uh-huh (positive response).
Q **Does Reach One Teach One have a corporate headquarters?**
A Uh-huh (positive response), yeah.
Q **What is it's formal address?**
A Well, 211 Oslin Drive.
Q **211 Oslin?**
A Uh-huh (positive response).
Q **What is the legal status of Reach One Teach One?**
A What is the legal status? It's a 501(c)(3).

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It's recognized under the Internal Revenue Service as a charitable educational organization.
Q **All right. Not a private foundation?**
A No.
Q **I'm going to try to see if we can get a little more definitive answers from you about the work of Reach One Teach One.**
Now, you told me that you do not file a 990 because you don't have to because you haven't reached -- or you don't reach that threshold amount.
A Twenty-five thousand ($25,000) dollars, yes.
Q **And it seems like you said twenty-five hundred ($2,500) dollars in grant as opposed --**
A Twenty-five thousand ($25,000) dollars.
Q **-- twenty-five thousand ($25,000) right, as opposed to twenty-five thousand ($25,000) dollars in revenue for a year; is that --**
A Well, that would be basically the same thing. Because in order to get the revenue, it has to be granted.

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Q **That's the only way that Reach One Teach One can -- the only way it can have some income is through grants?**
A Any nonprofit organization that do things are normally granted money. And grant means to be given for free. Now, if they work for services or do a service and are paid that way, then that would be for hire. But normally, that's for a particular individual. So, yes, it's through grants.
Q **You had said earlier that you write grants for people --**
A Uh-huh (positive response).
Q **-- I think.**
A Uh-huh (positive response).
Q **When you write grants for people, do you get -- are you compensated at all?**
A It all depends who it is. If they're -- I pay three thousand ($3,000) for them, and sometimes I write them for five hundred ($500). I did my cousin's for free. I did one of the pastors for free, you know, just to help them out. You know, I just do it

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for free. Some of them I -- Let's see. I can't remember. We did one in Florida, but I was never paid on that one.
Q **All right.**
A We did it for hire. I did it for money in Florida, but I was never paid.
Q **Yes, sir. Now, for the year 2005, how much money would you say Reach One Teach One received in contributions, gifts, grants, or any other fashion, 2005?**
A Probably six -- probably six to eight, maybe, ten thousand ($10,000). Right at ten thousand ($10,000) maybe.
Q **Right at ten thousand ($10,000) maybe?**
A Maybe, yeah.
Q **From whom did you get that?**
A Well, a lot of the money -- I was putting it there. My wife was putting it there. Sometimes I would do something for the people, and they would pay me. I don't put it in my -- say, for instance, if I repaired a car, if I put in a transmission or something, I would put it into my umbrella.

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Q **All right. So, you would do work for a person, say, repair a transmission, and that person would pay Reach One Teach One?**
A They would pay me, but I would put it in Reach One Teach One.
Q **All right. So, at the end of the year or whenever you filed your tax returns, would that money count as income to you?**
A No, not the money that I put into Reach One Teach One.
Q **I mean, money that you received from a person for doing work --**
A Oh, no.
Q **-- for them.**
A No.
Q **That would not count as income to you?**
A No.
Q **Okay. And so, you would not have listed that on your tax returns as income.**
A No, because I put it into Reach One Teach One. Some of the money that I made working I put in Reach One Teach One. That was counted on my tax returns. For instance, at

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the Hyundai place sometimes I might sell 25 cars. I might do ten thousand ($10,000) dollars a month. I might do twelve thousand ($12,000) dollars a month. I might take three thousand ($3,000) and put it into Reach One Teach One. I did twelve thousand ($12,000) one month. I took four thousand ($4,000) dollars and put it in Reach One Teach One.
Q **All right. And when you would get paid from Tallahassee Hyundai, would it be cash or would it be check?**
A Check. I had to pay taxes on that money.
Q **All right. So, no question about that.**
A I had to pay taxes.
Q **All right. But as far as this work that you did -- say, you did somebody's transmission work, if they paid you cash, then you wouldn't necessarily have to pay taxes on that; is that your testimony?**
A No, anytime -- I would never do it above what would get me in trouble. I would never do it above six hundred ($600.00) dollars.

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You know, if I did something for somebody to fix, I might do it -- they might pay me fifty ($50) or thirty-five ($35). I might change a filter for twenty-five ($25), you know. I don't have to report that. But I put it -- Since I don't have to report it to the Federal Government, it's not six hundred ($600) dollars. If it's under six hundred ($600) a year, you know what, it's not -- it doesn't go to me.

So, since I'm putting it in the bank and it's for a 990, it has nothing to do with me as far as taxes. It's any time I go above six hundred ($600) or working where I'm -- I mean, you should know. You're a lawyer. If I make money -- where I'm making big money, ten ($10,000) or twelve ($12,000) or thirty thousand ($30,000) dollars a year doing cars, which I would never do -- I'm not that type of grease monkey -- you know, yeah, I could report that. But this twenty-five ($25), ten ($10) of just helping people, because that's not enough to put in

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my pocket for a living. You know, I put it into the nonprofit to help them. But, now, the money that I am taxed on, you know, that I put in, that ten thousand ($10,000) that I put there, I was taxed on that.

Q **All right. You said in 2005 that Reach One Teach One received approximately ten thousand ($10,000) dollars. And I asked you where did that money come from.**

A From me.

Q **You said that you gave some and your wife gave some.**

A Yeah.

Q **How much did you give -- How much did you donate, I guess, you would say --**

A I don't know.

Q **-- to Reach One Teach One --**

A Maybe --

Q **-- in the year 2005?**

A Maybe four ($4,000) or five ($5,000) thousand.

Q **Four ($4,000) or five ($5,000) thousand?**

A Yeah.

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Q **Do you have any records that would support that?**

A Yeah.

Q **All right. And what records do you have that would support that statement?**

A The bank statements.

Q **Bank statements?**

A Yeah.

Q **All right. And the bank statements would show that you deposited or you gave a gift to Reach One?**

A Yeah.

Q **All right. And how much would you say your wife gave to Reach One during the year 2005?**

A Probably about the same amount. She makes pretty good money too. So, you know, that number is really all nominal. You know, I'm still speculating and guessing. You know, I have to go look at the books.

Q **All right.**

A I know one time I put four thousand ($4,000) or forty-seven hundred ($4,700) in. I know one time I put two in. You know, I don't

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know. I'd have to go and add it all back up.

Q **All right. Now, do you bank at the same bank in Florida that Reach One Teach One banks at? Do you have an account at the same bank?**

A That bank is in Utah, Oregon.

Q **In where?**

A In Utah. I'm sorry. It was not Utah, Oregon. It's in Utah.

Q **The State of Utah?**

A Yeah.

Q **What's the name of that bank?**

A Centennial Bank.

Q **All right. So, you have -- Is that an individual account?**

A Yes.

Q **All right. You have an individual account at Centennial Bank.**

A And my wife has one too individually.

Q **All right. At Centennial Bank?**

A Centennial Bank.

Q **Okay. In Utah. All right. And does Reach**

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One Teach One have an account at Centennial Bank in Utah?
A No.
Q So, then, when you gave this money to Reach One in 2005, would it have been cash that you gave --
A Yeah.
Q -- or would it have been a check drawn on your bank at Centennial Bank?
A Cash, just cash.
Q How much money or how much in contributions, gifts, and grants can be attributed from direct public support to Reach One Teach One in 2005?
A Maybe seventy-five ($75) to a hundred and twenty-five ($125) dollars.
Q All right. And where or from whom would that money have come?
A Just people -- just helping fix their cars. One guy had broke down on the highway, and actually, his alternator replaced. I did it, and he gave me twenty-five ($25) dollars. I took it and put it into my Reach

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One Teach One. One guy with a Mercedes -- I actually didn't know -- with the little 190s when the fuel filters clog, it does not shift. So, I told him he needed twenty-one ($21) dollars to fix it. I fixed it and he gave me forty-five ($45) dollars, you know. So, I put that in Reach One Teach One.
Q 2005?
A Yeah.
Q All right.
A But I don't ask for their name. I just help them.
Q All right.
A To me, there's no need to.
Q Did Reach One Teach One receive any money in indirect public support during the year 2005?
A What's indirect public support? Other than you're talking about me?
Q You?
A Yeah, I mean, I just told you that.
Q All right. Did you receive any money in government contributions, meaning grants?

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A No.
Q All right. That's 2005. What about in 2006?
A No.
Q What about in 2004?
A No, no, no, no, no, no.
Q All right. And when I say "what about," what I'm asking is: Did Reach One receive any government contributions or any grants during the years 2004, 2005 or 2006?
A No.
Q Did Reach One receive any government grants in 2003?
A No.
Q Any time between 2000 and the present?
A No.
Q Okay. Does Reach One have any membership dues or assessments?
A No.
Q You don't pay any rent anywhere, do you?
A No.
Q And you don't have any assets or any inventory, do you?

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A No.
Q Does Reach One -- For the year 2005, rather did Reach One have any expenses?
A Uh-uh (negative response), no.
Q During the years 2000 through 2004, did Reach One Teach One have any expenses?
A Nothing.
Q And during this year that we are in now, 2006, have you had any expenses?
A No. I mean, what do you call expenses? Like, we have to pay somebody to do something?
Q Any expenses?
A No.
Q Okay. Do you have any legal fees to pay?
A No.
Q No?
A No.
Q Okay. Now, you understand that you are a plaintiff in this action, do you not?
A Yes.
Q Okay. And are you represented by counsel today?

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A Kenneth Thomas.
Q **All right. And have you been represented by Mr. Thomas since this lawsuit was filed?**
A Yes.
Q **Okay. Have you incurred any legal bills thus far?**
A No.
Q **Do you anticipate incurring any?**
A No.
Q **Do you think anybody is incurring any legal fees on your behalf?**
A No.
Q **Okay. Is anybody incurring any legal fees on your behalf?**
A Not on my behalf.
Q **On behalf of Reach One Teach One?**
A Okay. Yes.
Q **Yes? Okay. Who? Who is incurring?**
A Frank Thomas. He told you today.
Q **Say it again?**
A Frank Thomas.
Q **All right. And how much?**
A I have no idea.

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Q **Okay. Do you know anything about the retainer agreement at all?**
A I don't even want to know that.
Q **All right.**
A Don't even want to go there. If you go there, I'm just going to tell you no, no, no, no.
Q **Okay. Whether you know the answer or not?**
A I don't know the answer. What I'm telling you, I don't get in that part of it. My saying is that action -- whatever happens here is like I told Mr. DeBray and I told Mr. Carr. My saying is, if they get the money, I'm going to put the money where it should be. All the legal ramifications, I have nothing to do with. Don't want to know about it.
Q **All right. Has Reach One Teach One paid out any money to salaries over the past three to five years?**
A Never.
Q **All right. Have you received any donations during this year that we are in now, 2006?**

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A If you want to take the twenty-five ($25) and the forty-five ($45) and thirty ($30) dollars, if you want to say that, yeah.
Q **All right. And, now, that money -- When you receive that money, then is a receipt generated on behalf or by Reach One Teach One to give to the people who give this money?**
A No, no. They give it to me, and I put it there.
Q **All right. So, it's not other people that's giving the money. It's you giving it.**
A Yeah. Well, they it to me, and I just bounce it right into the -- Well, I guess you're right, yeah. I do it, then.
Q **All right. Because if a person gave a donation to Reach One Teach One, they would receive a receipt, wouldn't they?**
A Yes, they would.
Q **All right. They would get something so that they can let the IRS know that they donated to a 501(c)(3).**
A Yeah, if they gave that big. If it was that

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big.
Q **Okay. Now, for each person that gives to Reach One Teach One, does that person receive a receipt regardless of who it is?**
A If they give it to Reach One Teach One, yes. You know, but when they give me money, I don't give them receipts.
Q **All right. What about when you give money to Reach One Teach One? Do you get a receipt?**
A No. I just put it in the bank.
Q **All right. And when your wife gives to Reach One Teach One --**
A No.
Q **-- does she get a receipt? And is there anybody else who has given any money to Reach One Teach One this year, 2006?**
A I told you no, man.
Q **You're telling me no now. I thought you said earlier that Macon County Investments gave ten thousand, five hundred ($10,500) dollars?**
A Well, what Macon County Investments -- Well,

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then, we've already established that. Are you asking me again?
Q So, the answer is not no.
A Okay. The answer is not no. I'm thinking you've already established Macon County. We've gone and left there. You're talking about somebody else. If we're going back there, then you need to tell me, you know, what did Macon County Investment give blah, blah, blah.
Q I am asking is there anybody else?
A I already told you. Frank Thomas gave me ten thousand, five hundred ($10,500) dollars this year.
Q Other than that, is there anyone else who has given Reach One Teach One any money in the year 2006?
A No.
Q Is there anybody, Frank Thomas included --
A No.
Q -- who in 2005 gave Reach One Teach One any money?
A How many times have I got to say no?

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Q For the year 2004, is there anyone who donated any money to Reach One Teach One?
A No.
Q And for the year 2003, is it the same answer?
A No, no.
Q No, it's not the same answer?
A No, never.
Q All right.
A Other than him, other than the little money that I get that I put there, my wife puts there, the answer is no.
Q All right. And I think you already have said, but let me be sure. With respect to money that you give or donate to Reach One Teach One, you have never received a receipt for it.
A No. Other than my bank, why would I need a receipt? Well, yeah, I get a receipt for it that I put it in there.
Q A receipt? No. I'm saying -- Say, if I were to give some money to Reach One Teach One, would I get a receipt?

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A You would because you would claim it.
Q All right. So, now, what I'm asking is: Have you been receiving receipts from Reach One Teach One?
A No.
Q All right. Now, you filed -- Well, we talked earlier or you talked earlier about your meeting Tom DeBray.
A Uh-huh (positive response).
Q And I think you said you talked on the phone a couple of times then you met with him -- you, he, and your wife -- in November or December of 2004.
A Uh-huh (positive response).
Q That's a yes, I'm sure?
A Yes.
Q All right. And after that, did you then meet with anyone else in connection with getting a Class B license --
A No.
Q -- to play bingo?
A No.
Q Well, at some point, did you meet with

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Mr. DeBray again after November or December of 2004?
A No.
Q Never met with him anymore.
A No more.
Q All right. At some point in time, did you meet Frank Thomas?
A Yes.
Q When did you meet him?
A I don't know. It was in 2005 some time. I don't know.
Q All right. Now, after your meeting with Tom DeBray, what was the next contact you had with anyone concerning bingo?
A You mean, after my physical meeting with him?
Q Yes.
A He called me and told me, you know, because I had called him and asked him -- I hadn't heard from him in, like, six months. I said, "What's up?" Blah, blah, blah, just checking in. Another week later, he called me back. He said, "Well, listen. We're

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having problems." And he started naming all kind of -- two hundred and fifty thousand ($250,000) and $15 million. I said, "Well, whatever, I am not into that. I don't care, whatever. Just let me know when I'm ready to go."
Q **All right. So, probably about -- I say "probably." You said about six months after your conversation with him that was in November or December of 2004. So, that tells me perhaps May or June of 2005, you talked with Tom DeBray again; is that correct?**
A Let's try March -- March or April.
Q **March or April?**
A Yeah. 2005. I just don't remember. He talked to me several times and was telling me he was having problems. And I just wouldn't go into that part with him.
Q **All right. So, did you talk on the phone?**
A Yeah.
Q **All right.**
A The first conversation was about 45 seconds.

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Are we having problems, blah, blah, blah. I said, "Okay. Later." And the next time he still had the problems. So, I said, "Okay. Well, just tell me what you want me to do when you are ready to go when you get ready to do what you need to do. All I'm saying all I'm going to do is ask you to put the money there if this thing passes. I'm just going to distribute the money where it goes. That's all I want to do."
Q **All right. So, you talked with him about March or April 2005. He wasn't ready yet. He had problems; is that correct?**
A That's what he was telling me.
Q **Okay. And so, what was your next contact with anybody about bingo in Macon County?**
A I think then -- I can't remember if Frank called me first or if Mr. Carr called me first. But I had a conversation with him.
Q **When would that have been?**
A Oh, man, probably around April. April, early May because I think I met Frank in May.

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MR. GRAY: What year?
THE WITNESS: 2005.
Q **Okay. So, this would have been maybe a month, maybe less than -- in time from when you had last talked to Tom DeBray?**
A Uh-huh (positive response).
Q **Is that a yes?**
A Yes.
Q **All right. And what did -- you say Frank. I'm sure you mean Frank Thomas, the Third?**
A Yeah.
Q **Or Mr. Carr. When they called you, what was the substance of that conversation?**
A Well, Mr. Carr identified himself and said he had taken on representing Frank, and that he wanted to meet me at some particular point and talk to me and tell me what's going on. And he began to tell me what's happening, blah, blah, blah. And he'd reiterate the things that DeBray was telling me. And then, you know, he kind of told me they was having problems. And he told me about David. I said, "Well, I know David."

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I said, "Oh, you should have let me talk to him."
Q **All right. Let me stop you for just a moment. Now, you say that he said he wanted to meet you.**
A Uh-huh (positive response).
Q **And he told you -- he reiterated some things. What did he --**
A That they were having trouble getting the license.
Q **What did he say was the problem?**
A He said that it was left up to Sheriff Warren.
Q **All right. Did he say whether or not they had followed the rules? Did he even talk about the rules?**
A No. I don't get off on that.
Q **All right. He didn't talk about the rules.**
A I don't even get off in that.
Q **Okay. He just talked about --**
A What they can do and can't do. That's it.
Q **All right. And what is it that they could do?**

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A You know, I guess they could use me.
Q All right.
A What they couldn't do is, I don't know, you know, just get the license.
Q All right.
A And that's all I wanted to know.
Q All right. And they mentioned Sheriff Warren?
A Yeah. He's the one that's -- He's the final say-so for it.
Q All right. And so, what did they say other than that he's the final say-so for it?
A That's it.
Q Did they say it was a problem communicating with him?
A I didn't get into that part. See, listen to what I'm saying. I don't get into that part.
Q All right.
A All he said what they can do or can't do. All the other stuff with that, I'm not in that.
Q So, what did you tell them you would do since you said that you knew David?

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A Well, I thought -- Well, let me talk to him, you know, because David and I grew up together. You know, and I know David. David knows me. And he said, "No. I think it's best that you don't." I said, "Yeah, whatever. Okay." I said, "I know I can talk to him, but if you guys don't want me to, I won't."
Q All right. And all these conversations were before you actually met Greg Carr face-to-face; am I right?
A Yeah.
Q All right. And this conversation would have been around April or early May 2005.
A Somewhere in there because I met Frank in May. See, you are pinpointing dates that's not significant to me. You know, I'm saying sometime in May when he called me, yeah, okay. Right. And we set up for, like, late May, somewhere in there. And then that's where I met Frank and Mr. Carr together.
Q All right. And that was your first time meeting Frank Thomas?

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A First time.
Q Late May.
A I had spoken to him on the telephone.
Q All right. Late May. Frank Thomas and Greg Carr. Was there anybody else there at that meeting?
A No.
Q And where did you --
A Oh, my wife was with me.
Q Your wife. Okay. And where was that meeting?
A Montgomery, Alabama.
Q All right. And did you and your wife come up from Florida to meet with them?
A Yeah.
Q All right. Did you drive up?
A Yeah.
Q Did they pay your expenses to come up?
A The first time, I think Greg gave me something for coming up.
Q Who did?
A Oh, that's right. That's right. That's right. That's right. I met Greg first before I met Frank, before Frank was together. Then when I came up, I gave them all my information, showed that I was a pertinent 501(c)(3), 1023, Letter of Determination. Then it was just me and Frank -- I mean, Attorney Carr and myself.

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Q All right. So, you met Attorney Carr first.
A Yes, yes.
Q Would that have been late May?
A Uh-uh (negative response). That was before I met Frank. I met Frank in late May. So, between that month of May is when everything happened.
Q All right. So, when you met Greg Carr, what did you and he talk -- Did he give you an application?
A No.
Q Did he say anything about an application?
A No, no. When I met Greg Carr, all I did is give him all the documents that makes me legal. I gave him my 1023s, 8717s, 872s. I put all that together.

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and talked to me.
Q **When was that?**
A I don't know. I don't know. But they asked me -- they informed me about, you know, if I wanted to go through it, blah, blah, blah. I said okay.
Q **Was that on the same day?**
A No, it was not.
Q **Okay. Was it on the first day that you met --**
A No, it was not.
Q **-- Greg Carr?**
A It was spread between times.
Q **Was it on the time that you met Greg Carr and Frank Thomas, the time you met Frank Thomas for the first time?**
A No.
Q **So, it was the time after that --**
A Uh-huh (positive response).
Q **-- but before you signed the application; is that correct?**
A Yeah.
Q **All right. So, you came to Alabama, then,**

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in 2005. How many times from -- in connection with bingo -- from January to August, how many times would you say?
A Probably three or four times.
Q **All right. Now, when you signed the application, did you sign it in Montgomery, or were you elsewhere?**
A Yeah, it could have been -- Yeah, I was in Montgomery.
Q **You were in Montgomery?**
A Uh-huh (positive response).
Q **And you signed it right there in Montgomery?**
A Uh-huh (positive response).
Q **In the presence of Attorney Salaam-Jones?**
A And Mr. Carr, I believe.
Q **Okay. Was anybody else present when you signed it?**
A I don't recollect. I think Frank was there. Frank is always there.
Q **All right. Did you understand a difference between class A or Class B bingo licenses?**
A Attorney Carr explained it. He explained it to me.

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Q **All right.**
A And he said one was bingo cards and one was dealing with electronics. But, again, brother, listen to me. I don't get off into this part of it, and you continue to ask me this. But I don't get off into this part, what it is and what it is not. They tell me the goal they're trying to reach. They tell me. They explain it to me. I said, fine. All I'm doing is taking the money and putting it where it needs to go. The mumbo jumbo is yours.
Q **All right. Well, let me ask you this question. Did you sign a contract or enter into an agreement with Macon County Investments to have them to operate bingo for you?**
A Is this the document that does that?
Q **That's what I'm asking you. Did you enter into any such document?**
A Is my signature on this? Yes.
Q **Your answer is yes?**
A Yes.

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Q **Okay. What were the terms of the agreement?**
A Well, didn't get into that.
Q **You say you signed an agreement you didn't get into?**
A I didn't get into it. You know, I know it might sound strange to you. They threw some numbers out. They were all nominal to me. It didn't matter. You're not getting it. It doesn't matter.
Q **As astute a businessman you are, you didn't pay attention to the terms?**
A It doesn't matter. You're not listening to me. I don't get off on that. If they give me one thousand ($1,000), five thousand ($5,000), ten thousand (10,000), fifty thousand ($50,000), I'm going to do what I need to do with it.
Q **So, now, who prepared the application? Do you know that?**
A I didn't ask.
Q **All right. Did someone simply ask you to sign it?**
A No one simply asked me to do anything.

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Q What happened?
A They asked me if I wanted to do it first. And when they sat down and explained it to me, I said, "Okay." When they explained it all, what was going on, I looked at it. They showed me, and I said, "Okay. No problem." I signed it.
Q When did you sign it?
A I don't remember. What's the date on it?
Q What's the date on it?
A 8th July.
Q Pardon me?
A July 8th.
Q All right. What year?
A 2005.
Q All right. Now, that's the date that you signed what?
A This particular document. The Macon County Alabama, application for a bingo license.
Q Oh, that's the date you signed the application? Look on page one and tell us what does that date represent. What does that represent?

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A July 20th.
Q No. I'm asking what does that date tell you?
A That's probably the date that he filed it.
Q When you say "the date he filed it," who are you referring to?
A Well, whomever took it -- whoever took it over. I don't know. Again, I read this part. When they do their part, they do it. I don't get off into this. So, you know, let's see who else signed it. My wife's signature on this? Yeah. She signed it with me.
Q She signed what with you, sir?
A This particular document.
Q What particular document? Just tell me.
A Bingo operation and lease agreement.
Q Okay. So, the bingo operation and lease agreement is between what parties?
A I would imagine MCI and -- MCI and Reach One Teach One of America.
Q All right. It's between Macon County Investments and Reach One Teach One of

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America?
A Uh-huh (positive response). Yes.
Q Thank you. And does your bingo operations and lease agreement detail the amount of money that Reach One Teach One will receive for each bingo session?
A They gave me a number. I brain dumped it. Like I keep telling you, it doesn't matter. He gave me a number. I do not remember. It doesn't matter.
Q Does the lease agreement set forth a number?
A I have no idea.
Q Did you read it before you signed it?
A I went through it, but I didn't try to -- I went through it and made sure everything I did was right, looked at some of the stuff. I'm not interested in, you know, who this guy is and this guy. I looked at this and make sure this was straight. Looked to make sure that was straight. Other than that, you know --
Q When you say you looked to make sure this was straight and make sure that that was

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straight, what did you mean?
A The only thing I missed was the 631116 that was wrong. When I looked at the numbers, that was incorrect. But I went through this. I'm not interested in this. If you're going to make me interested, I'm not, as I keep telling you. It seems like you're not getting it. I don't care about the legal mumbo and jumbo. All I'm doing is helping MCI to work in the same way that the person you represent make money, of course, you know. You want to make money. So, Defendant Frank wants to make money. We all want to make money at some point. My point of making money is so I can help the community. I don't know what you guys do with your money. But my thing is to make sure it gets back to the community. So, again, what does one thousand ($1,000), twenty thousand ($20,000), fifty thousand ($50,000), a million, it doesn't matter. I'm going to use it for what it's used. All this stuff in here, I do not care.

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Q Did you pay attention to the number of years that you were locked into this agreement?
A The same number that McGregor has his, 20.
Q All right. And you were okay with that?
A Okay with that.
Q Is that yes?
A That's yes.
Q All right. Did you have to pay any license fees?
A No.
Q Did you have to pay any application fee?
A No.
Q Did anybody tender any license fees on your behalf? When I say "your," I mean Reach One Teach One.
A Yes.
Q Who did that?
A I don't know.
Q How much did they tender on your behalf?
A I don't know.
Q Well, how do you know someone tendered some license fees on your behalf?
A Well, I just know they had to.

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Q Do you know who had to?
A Well, I don't know. Again, I didn't get off into that.
Q They did or they didn't. You don't know.
A I don't know.
Q All right.
A I don't care.
Q Did you understand that the rules and regulations of the Sheriff required what's called a qualified location in order to receive a license? Did you understand that?
A Yes, I did, you know.
Q And did you understand that at the time that you entered into this agreement that there was no physical --
A Yes.
Q -- qualified location?
A Yes.
Q And at the time that your application was submitted to the Sheriff, you know that there was no qualified location.
A Yes.
Q Even today, other than Victoryland, is there

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a qualified location for bingo --
A No.
Q -- in Macon County?
A No.
Q So, then who is your -- Who or where is your qualified location?
A Well --
Q Do you have one?
A No, we don't. We don't have one.
Q Okay. Does MCI, Macon County Investments, have any agreements with you other than this bingo operation and lease agreement?
A No.
Q Do you know if they have any agreements with anybody else that would allow you to start up the bingo?
A No.
Q No, you don't know or, no, they don't?
A I don't know. No, I don't know.
Q Do you know Mr. Ken Upchurch of W.K. Upchurch Construction?
A No.
Q Do you know Mr. Jim Barganier?

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A No.
Q Have you met him before?
A No.
Q Have you submitted evidence to the Sheriff that your qualified location has -- that meets any of his requirements?
A No. When you say "requirements," tell them to me. What requirements?
Q First of all, there is a facility that is in value $15 million or more. Let's start there.
A Okay.
Q What's the answer?
A No. We don't have that.
Q A facility that has public liability insurance of $5 million dollars?
A Well, there's no building, so there's no insurance.
Q Okay. Do you still need me to go through each identifying characteristic?
A Well, I think that's --
Q Does it have adequate parking? No. The answer would be no.

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A It's no to all of it because there's no building.
Q Okay. Did you submit with your application any personal data sheets for your board members?
A No.
Q No?
A No.
Q Why not?
A I wasn't asked for it.
Q Did the application call for it?
A I don't think so.
Q You don't?
A I think if it called for it, he would have asked me for it.
Q When you say "he," who are you referring to?
A Well, they.
Q When you say "they," who are you referring to?
A The attorneys.
Q Your attorneys?
A Yeah.
Q And when you say "the attorneys," you're

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referring to Attorney Salaam --
A And Carr.
Q -- and Carr. All right. Because they were the ones who were there with you when you signed this application, right?
A Yes.
Q Okay. Are you sure about that?
A I'm sure I was there with them.
Q You are sure that those are the people that were with you when you signed the application?
A I mean, Frank was there.
Q Well, you said Frank was always there.
A Yeah, he's always there. You know, but I don't -- You know, unless you know somebody else that I'm missing. You tell me.
Q No, I'm just saying, are you certain that these lawyers were --
A I'm not certain of anything, man. I'm not certain I'm sitting here.
Q Okay. Well, let me ask you this: You may not be certain about this either. Sorry. Let me have this back.

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I show you what's been marked and identified at a previous deposition. And that's an application -- instructions and application. You've seen that before, haven't you?
A Yes.
Q That's the instructions and application -- instructions and application for a Class B bingo license. You've seen that, right?
A Uh-huh (positive response).
Q Okay.
A Yes.
Q Now, as you peruse that document, do you see a sheet that requests personal data of the board members?
A I don't recollect seeing this one.
Q I'm asking as you look at it now.
A I see it now.
Q You see it now.
A I might have did it, but I don't remember.
Q All right. So, now, let's just say if Frank Thomas or if Macon County Investments had retyped the application, you may not have

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seen it; isn't that true?
A If they retyped it, maybe.
Q Or they may not even have given it to you, right?
A Probably.
Q And you really wouldn't have known that it was required because you simply looked at what they prepared and signed it; isn't that true?
A Yes.
Q All right.
A Like, again, if it's not there, then it doesn't exist.
Q All right. And if it is there --
A Then it exists, and I'll do it.
Q All right. And you'll do it. All right. So, now, let me ask you: Did you complete personal data for the members of your corporation?
A No.
Q No?
A Not to my knowledge.
MR. THOMAS: Need another document.

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There will be a certain amount.
Q How much?
A I don't remember. You keep asking me, and I'm telling you that's not important to me. Again, I don't remember.
Q All right. Now, what's the -- Does Reach One Teach One intend to be the only charity operating bingo at this facility if Macon County Investments gets a license?
A I can only speak for Reach One Teach One. How would I know who else would come on the board?
Q Would you be opposed to other charities?
A Why should I be? No.
Q Do you understand or do you think that Reach One Teach One under your agreement will receive money every week from Macon County Investments?
A I think that's what was spoke to me. Again, I think, man. I think maybe he said it, you know, but, again, it wasn't that important.
Q All right. You said that you have an individual bank account in Utah, and you

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said Centennial Bank, but I didn't ask you what city. What city in Utah?
A Ogden.
Q Ogden? All right. Do you have an individual bank account or bank accounts in Tallahassee, Florida?
A Yeah, Reach One Teach One.
Q All right. Do you?
A Yeah, I have a savings there.
Q All right. At what bank?
A Florida Commerce.
Q Florida Commerce? The same bank that Reach One Teach One has an account?
A Yeah, I opened one. I was going to buy a vehicle. In order for me to buy a vehicle, I had to open an account. So, I opened an account there. So, what I did, I had to open an account there for the vehicle. But I changed my mind. I didn't go through Florida Commerce, I went through Alabama Exchange. So, I'm actually going to dissolve that account.
Q All right. And does your wife also have an

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individual account in Florida?
A No.
Q No?
A No.
Q All right. Did you say you dissolved your account at Florida Commercial.
A I'm going to dissolve it, the one at Florida Commerce because, see, in order to buy a car --
Q You said you're going to?
A Yeah.
Q But it's still there right now?
A Yeah.
Q All right.
A It's still there.
Q And Reach One Teach One has an account there.
A Yeah, they have had one there since we've been there.
Q Does Reach One Teach One have one -- Does it -- I know it has one at Maxwell --
A Maxwell.
Q -- Air Force. Does it have one in Macon

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County?
A No. Because the one in Macon County, I've got to pay for it. And since I'm military, I get it for free.
Q All right. What -- This fire that you say -- When your car caught fire, what records concerning Reach One Teach One did you lose?
A We had some of the tapes there, some of the cassettes. All of our minutes because we keep them in the book. And actually, we was getting ready to do something in Florida. So, I had put the minutes there, and we were writing them.

So, we were coming in from Auburn and the whole car burned. It actually started at the bottom. And from the time I drove from where the -- coming down the hill where the baseball field is and drove it to the fire department, which took me 20 minutes to get up. Before they got there, the car burned up.
Q Nobody was in there when it actually --

EXHIBIT 3

AMENDMENT 744 RATIFIED

Bingo Games in Macon County.

The operation of bingo games for prizes or money by nonprofit organizations for charitable, educational, or other lawful purposes shall be legal in Macon County. The sheriff shall promulgate rules and regulations for the licensing and operation of bingo games within the county. The sheriff shall insure compliance pursuant to any rule or regulation and the following requirements:

(1) No person under the age of 19 years shall be permitted to play any game or games of bingo, nor shall any person under the age of 19 years be permitted to conduct or assist in the operation of any game of bingo.

(2) No bingo license shall be issued to any nonprofit organization, unless the organization shall have been in existence for at least three years in the county immediately prior to the issuance of the permit or license.

(3) Bingo games may be operated on the premises owned or leased by the nonprofit organization operating the bingo game.

(4) A nonprofit organization may enter into a contract with any individual, firm, association, or corporation to have the individual or entity operate bingo games or concessions on behalf of the nonprofit organization. A nonprofit organization may pay consulting fees to any individual or entity for any services performed in relation to the operation or conduct of a bingo game.

(5) A nonprofit organization may lend its name or allow its identity to be used by another person or entity in the operating or advertising of a bingo game in which the nonprofit organization is not directly and solely operating the bingo game.

(6) Prizes given by any nonprofit organization for the playing of bingo games shall not exceed the cash amount or gifts of equivalent value set by rule or regulation during any bingo session during any calendar week.

EXHIBIT 4

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF ALABAMA

MACON COUNTY INVESTMENTS, INC.; REACH ONE, TEACH ONE OF AMERICA, INC.,	)	
PLAINTIFFS,	)	
v.	)	**CIVIL ACTION NO.: 3:06-cv-224-WKW**
SHERIFF DAVID WARREN, in his official capacity as the SHERIFF OF MACON COUNTY, ALABAMA,	)	
DEFENDANT.	)	

AFFIDAVIT OF DAVID M. WARREN

STATE OF ALABAMA)

COUNTY OF MACON)

My name is David M. Warren. I am one and the same as the person identified in a legal action filed in the United States District Court for the Middle District of the State of Alabama as Sheriff David Warren. I have personal knowledge of the statements in this affidavit. I understand that this affidavit is being submitted in support of Sheriff Warren's Motion for Summary Judgment and Brief In Support of Motion for Summary Judgment.

1. I am Sheriff of Macon County, Alabama.

2. Prior to being elected Sheriff, I served in the United States Navy from 1967 until 1971.

3. Upon being honorably discharged from the military in 1971, I was employed as a security guard at Tuskegee Institute from 1972-1974. I joined the Tuskegee Police Department in 1974. During my twenty years of service with the Tuskegee Police Department, I was promoted through the ranks from Patrolman, Corporal, Sergeant, Lieutenant, Captain, Assistant Chief and finally, Chief of Police.

4. I was first elected Sheriff of Macon County in 1994 and have been re-elected each term since that time. I was most recently re-elected in 2006.

5. I first became aware of bingo in Macon County in 2003 after the legislative session during which the legislation passed. Representative Johnny Ford made me aware of the legislation that proposed a Constitutional Amendment to the Constitution of Alabama which would permit charitable bingo in Macon County.

6. It was my understanding that the proposed amendment would: (1) allow nonprofit organizations to conduct bingo in Macon County; (2) allow nonprofit organizations to contract with third parties to conduct bingo on behalf of the nonprofit organizations; and (3) authorize the Sheriff of Macon County to promulgate rules and regulations for the conduct and operation of bingo.

7. Amendment No. 744 was ratified by the citizens of Macon County on November 4, 2003 with more than 76 percent of the voters approving the Amendment. A copy of Amendment No. 744 is attached as Exhibit 3 to my Motion for Summary Judgment[1].

8. Since Amendment No. 744 charged my office with promulgating rules and

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[1]All Exhibits referenced in this Affidavit which are attached to my Motion for Summary Judgment are incorporated as if attached hereto.

regulations for the conduct and operation of bingo, I contacted my attorney immediately upon ratification of Amendment No. 744. I began contacting the sheriffs of other counties in Alabama who were charged with the regulation of bingo in their counties. I also began considering what regulations would be appropriate and necessary to protect the nonprofit organizations engaged in charitable bingo, to protect the patrons of charitable bingo, to protect the citizens of Macon County, and to prevent the proliferation of illegal gambling.

9. My attorney and I then drafted the Rules and Regulations for the Licensing and Operation of Bingo Games in Macon County. These rules were issued and became effective on December 5, 2003 (referred to as the "2003 Rules"). A copy of the 2003 Rules is attached as Exhibit 5 to my Motion. We also prepared an application packet which the nonprofit organizations could complete and submit in order to apply for a license.

10. The 2003 Rules provide for two types of licenses– Class A Bingo license for nonprofit organizations which intend to conduct paper only bingo, and a Class B Bingo license for nonprofit organizations which intend to conduct all types of bingo including electronic bingo. Amendment No. 744 and the 2003 Rules also provide that a nonprofit organization may contract with a third party to conduct bingo games on its behalf at a qualified location. The 2003 Rules specifically set forth certain requirements for a qualified location. A nonprofit organization that applies for a Class B Bingo license to be conducted at a qualified location must submit an application and satisfactory evidence that the location meets the requirements set forth in the Rules. According to the Rules, the location and must be inspected by the Sheriff.

11. After the 2003 Rules went into effect, the first Class B Bingo license was issued to the Tuskegee-Macon County YMCA on December 17, 2003. The Tuskegee-

Macon County YMCA contracted with Victoryland to serve as its qualified location. As evidence that Victoryland meet the requirements of a qualified location, the Tuskegee-Macon County YMCA submitted an "Operator's Certificate" dated December 16, 2003. A copy of the "Operator's Certificate" is attached as Exhibit A hereto. The Tuskegee-Macon County YMCA also submitted a completed application and the requisite license fees.

12. A copy of the license issued to the Tuskegee-Macon County YMCA is attached as Exhibit B hereto. Thereafter, my office issued 11 more Class B Bingo licenses during December 2003. Attached as Exhibit C is a chart showing the names of all Class B bingo licensees, the number of the license, the date on which the license was issued, the expiration date for each license, and the total number of licenses issued by month from December 2003 through March 2006.

13. As reflected in the chart, my office issued 29 Class B Bingo licenses between December 17, 2003 and June 2, 2004. Each of those nonprofit organizations submitted a completed application, the requisite license fees, satisfactory evidence that Victoryland was a "qualified location," and Victoryland permitted an inspection of its facilities.

14. On June 2, 2004, I issued the First Amended and Restated Rules and Regulations for the Licensing and Operation of Bingo Games in Macon County ("2004 Rules"). A copy of the 2004 Rules is attached as Exhibit 6 to my Motion. Along with the 2004 Rules, I also published a Commentary explaining the amendments that I had made and the reasons behind those amendments. The 2004 Rules became effective on June 2, 2004, with the exception of the increased business license fee for a qualified location which became effective on January 1, 2005. As I state in the Commentary, after having had an opportunity to consider the licensing and operation of bingo games under the 2003

Rules and an opportunity to consider their effectiveness, I determined that the amendments promulgated in the 2004 Rules would "maintain, protect and enhance the integrity of, the viability of and the economic benefits derived from bingo games."

15. The local newspaper, the *Tuskegee News*, published the 2004 Rules and the Commentary on June 10, 2004. A copy of the article is attached as Exhibit 7 to my Motion.

16. After the 2004 Rules became effective on June 2, 2004, Victoryland submitted an "Operator's Certificate" to my office as evidence that it met the increased capital investment requirement in the 2004 Rules and that it continued to meet all of the other requirements necessary to be désignated as a qualified location. A copy of the "Operator's Certificate" is attached as Exhibit D hereto.

17. After the 2004 Rules became effective on June 2, 2004, my office issued 10 new Class B Bingo licenses between July 12, 2004 and December 1, 2004. All of those nonprofit organizations contracted with and designated Victoryland as their qualified location.

18. In December 2004, my office issued 39 renewal licenses for Class B Bingo. Therefore, as of December 31, 2004, there were 39 total Class B Bingo licenses in effect.

19. In late 2004, the Alabama Attorney General conducted an investigation into gaming activities across Alabama. On December 1, 2004, the Attorney General issued a news release attached hereto as Exhibit E in which he explained the components of bingo, approved of charitable bingo being conducted at Victoryland and Greenetrack, and expressed the State's policy regarding the proliferation of gaming activities.

20. On January 6, 2005, I issued the Second Amended and Restated Rules and Regulations for the Licensing and Operation of Bingo Games in Macon County ("2005

Rules"). A copy of the 2005 Rules and the Commentary are attached as Exhibit 8 to my Motion. The local newspaper, the *Tuskegee News*, published the 2005 Rules and the Commentary on December 30, 2004. A copy of the article is attached as Exhibit 9 to my Motion.

21. As explained in the Commentary, the 2005 Rules contained three amendments which were made in response to findings by the Alabama Attorney General. The first amendment sought to bring the definition of bingo into conformity with the Alabama Attorney General's findings. The purpose of the second amendment was to limit the number of licenses that could be issued in order to adhere to Alabama's policy of limiting gaming activities and to allow my office to more effectively regulate bingo games. Finally, the provision allowing licenses to be issued for five years instead of one year was for the purpose of reducing and avoiding administrative costs.

22. Between January 6, 2005 and July 1, 2005, my office issued 20 additional Class B Bingo licenses. Each of those nonprofit organizations designated Victoryland as their qualified location.

23. As of July 20, 2005, Victoryland was the only location designated by any nonprofit organization to be its qualified location who applied for a Class B Bingo license.

24. On July 20, 2005, Macon County Investments, Inc. (MCII) submitted an application package on behalf of itself and Reach One, Teach One of America, Inc. According to the application, Reach One wanted to obtain a Class B Bingo license and have MCII operate the games at a facility owned by MCII. A copy of the application package is attached to Plaintiffs' Complaint.

25. I neither granted nor denied the application because I did not consider the

application to be complete for several reasons. First, only a nonprofit organization may apply for a Class B Bingo license. It appeared from the application package that Reach One **and** MCII sought a license. Second, Reach One failed to meet the capital investment requirement because MCII did not have a facility at all. Third, Reach One failed to provide proof of public liability insurance, liquor liability insurance, adequate parking, onsite security, onsite first aid personnel, accounting procedures, controls and security, or evidence that the location was compliant with the ADA. Next, Reach One failed to provide complete information regarding the officers and directors of Reach One. Finally, Reach One failed to tender the Class B Bingo license fee. Therefore, I took no action with respect to the incomplete application.

26. As of June 14, 2005 (over one month before Plaintiffs submitted their incomplete application), a total of 59 Class B Bingo licenses were outstanding.

Dated this 31 day of May, 2007.

____
AFFIANT

SWORN TO AND SUBSCRIBED before me this 31st day of May, 2007.

(SEAL)

____
NOTARY PUBLIC
My Commission Expires: 10-20-08

EXHIBIT A

OPERATOR'S CERTIFICATE

STATE OF ALABAMA

COUNTY OF MONTGOMERY

Before me, the undersigned authority, in and for said county and state, personally appeared Milton E. McGregor, President of Macon County Greyhound Park, Inc., who after being first duly sworn, deposed and said the following:

1. My name is Milton E. McGregor and I am an individual resident of Montgomery, Alabama. I am the President of Macon County Greyhound Park, Inc. and have personal knowledge of the facts and information stated herein.

2. Pursuant to Amendment No. 744 to the Constitution of Alabama, Act No. 2003-124 and the Macon County Bingo Regulations promulgated by the Sheriff, Macon County Greyhound Park, Inc. has contracted with certain nonprofit organizations who have made application to the Macon County Sheriff for a Class B Bingo License to operate bingo games at its facility located at 8680 County Road 40, Shorter, Alabama 36075.

3. In accordance with the Macon County Bingo Regulations, the following information is submitted herewith in support of each applicant's bingo license application by Macon County Greyhound Park, Inc. as a qualified location for the holder of the Class B License.

4. All of the stockholders of Macon County Greyhound Park, Inc. are residents of the State of Alabama and have been so for more than five (5) years.

5. The parking facilities available at Macon County Greyhound Park, Inc.

contain approximately 1500 separate spaces and are well-lighted by 38 lamps mounted on 12 poles.

6. Adequate on-site security is provided at Macon County Greyhound Park, Inc. by 30 certified officers and 26 security personnel who are on duty in three shifts, 24 hours a day, 7 days a week.

7. Adequate on-site first aid is provided at Macon County Greyhound Park, Inc. by 5 EMTs, at least one of which is on duty 24 hours a day, 7 days a week.

8. The owners of Macon County Greyhound Park, Inc. paid more than $5,000,000 for the land, building and other capital improvements (before depreciation) comprising said qualified location. A copy of the balance sheet is available for inspection by the Sheriff.

9. Attached hereto as Exhibit A is the declarations page for public liability insurance with USF&G issued in favor of Macon County Greyhound Park, Inc. in the amount of $5,000,000.

10. Attached hereto as Exhibit B is the declarations page for liquor liability insurance with USF&G issued in favor of Macon County Greyhound Park, Inc. in the amount of $1,000,000.

11. Attached hereto as Exhibit C is a surety bond issued by Macon County Greyhound Park, Inc. in the amount of $1,000,000 assuring and guaranteeing the performance of the bingo games and the payment of all prizes awarded by the bingo games to patrons of this qualified location.

12. Attached hereto as Exhibit D is a description of the accounting procedures

and security monitoring implemented at Macon County Greyhound Park, Inc. to preserve and promote the integrity of the operation of bingo games and to ensure the protection of the charitable license holder and its patrons.

13. Attached hereto as Exhibit E is a letter from Architect Neil H. King, Jr. certifying that this qualified location for the operation of bingo is fully compliant with the Americans With Disabilities Act.

Further Affiant saith not.

Milton E. McGregor

Milton E. McGregor

SWORN TO AND SUBSCRIBED before me this the 16th day of December, 2003.

Mary Beth Herring

NOTARY PUBLIC
My Commission Expires: 7-23-06

ACORD. INSURANCE BINDER

CSR KG | DATE 12/15/03

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER: Cobbs, Allen & Hall, 115 Office Park Drive, Ste 200, Birmingham AL 35223, Crawford E. McInnis
PHONE (A/C, No, Ext): 205-414-8100
CODE: 0626 SUB CODE:
AGENCY CUSTOMER ID: MACON-3

COMPANY: USF&G
BINDER #: 20417

EFFECTIVE DATE	TIME	EXPIRATION DATE	TIME
01/01/03	12:01 X AM / PM	01/01/04	X 12:01 AM / NOON

X THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:

DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location):

INSURED: Macon Co Greyhound Pk., Inc., 1000 John Rogers Drive, Birmingham AL 35210

COVERAGES

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	LIMITS	AMOUNT
PROPERTY — CAUSES OF LOSS: BASIC / BROAD / SPEC					
GENERAL LIABILITY: X COMMERCIAL GENERAL LIABILITY; CLAIMS MADE / X OCCUR	RETRO DATE FOR CLAIMS MADE:			EACH OCCURRENCE	$ 1,000,000
				FIRE DAMAGE (Any one fire)	$ 50,000
				MED EXP (Any one person)	$ EXCLUDED
				PERSONAL & ADV INJURY	$ 1,000,000
				GENERAL AGGREGATE	$ 5,000,000
				PRODUCTS - COMP/OP AGG	$ 1,000,000
AUTOMOBILE LIABILITY: ANY AUTO; ALL OWNED AUTOS; SCHEDULED AUTOS; HIRED AUTOS; NON-OWNED AUTOS				COMBINED SINGLE LIMIT	$
				BODILY INJURY (Per person)	$
				BODILY INJURY (Per accident)	$
				PROPERTY DAMAGE	$
				MEDICAL PAYMENTS	$
				PERSONAL INJURY PROT	$
				UNINSURED MOTORIST	$
					$
AUTO PHYSICAL DAMAGE — DEDUCTIBLE: COLLISION; OTHER THAN COL	ALL VEHICLES / SCHEDULED VEHICLES			ACTUAL CASH VALUE / STATED AMOUNT / OTHER	$
GARAGE LIABILITY: ANY AUTO				AUTO ONLY - EA ACCIDENT	$
				OTHER THAN AUTO ONLY: EACH ACCIDENT	$
				AGGREGATE	$
EXCESS LIABILITY: UMBRELLA FORM; OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:			EACH OCCURRENCE	$
				AGGREGATE	$
				SELF-INSURED RETENTION	$
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				WC STATUTORY LIMITS	
				E.L. EACH ACCIDENT	$
				E.L. DISEASE - EA EMPLOYEE	$
				E.L. DISEASE - POLICY LIMIT	$
SPECIAL CONDITIONS/OTHER COVERAGES	Participants Legal 1,000,000; Liquor 1,000,000; EBL 1,000,000; 10,000 each claim ded w/t annual agg of 65,000;			FEES	$
				TAXES	$
				ESTIMATED TOTAL PREMIUM	$

NAME & ADDRESS

MORTGAGEE / LOSS PAYEE / ADDITIONAL INSURED
LOAN #
AUTHORIZED REPRESENTATIVE: [signature]

ACORD 75-S (1/98) NOTE: IMPORTANT STATE INFORMATION ON REVERSE SIDE ©ACORD CORPORATION 1993

EXHIBIT "A"

ACORD. INSURANCE BINDER

CSR KG | DATE 12/15/03

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER PHONE (A/C, No, Ext): 205-414-8100

Cobbs, Allen & Hall
115 Office Park Drive, Ste 200
Birmingham AL 35223

Crawford E. McInnis

CODE: 0626 SUB CODE:
AGENCY CUSTOMER ID: MACON-3

COMPANY: USF&G
BINDER #: 20417

	EFFECTIVE DATE	TIME	EXPIRATION DATE	TIME
	01/01/03	12:01 X AM / PM	01/01/04	X 12:01 AM / NOON

X THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:

DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)

INSURED

Macon Co Greyhound Pk., Inc.
1000 John Rogers Drive
Birmingham AL 35210

COVERAGES

TYPE OF INSURANCE	COVERAGE/FORMS	LIMITS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY — CAUSES OF LOSS: [ ] BASIC [ ] BROAD [ ] SPEC					
GENERAL LIABILITY: X COMMERCIAL GENERAL LIABILITY; [ ] CLAIMS MADE X OCCUR	RETRO DATE FOR CLAIMS MADE	EACH OCCURRENCE			$ 1,000,000
		FIRE DAMAGE (Any one fire)			$ 50,000
		MED EXP (Any one person)			$ EXCLUDED
		PERSONAL & ADV INJURY			$ 1,000,000
		GENERAL AGGREGATE			$ 5,000,000
		PRODUCTS - COMP/OP AGG			$ 1,000,000
AUTOMOBILE LIABILITY: [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS		COMBINED SINGLE LIMIT			$
		BODILY INJURY (Per person)			$
		BODILY INJURY (Per accident)			$
		PROPERTY DAMAGE			$
		MEDICAL PAYMENTS			$
		PERSONAL INJURY PROT			$
		UNINSURED MOTORIST			$
					$
AUTO PHYSICAL DAMAGE — DEDUCTIBLE: [ ] COLLISION [ ] OTHER THAN COL	[ ] ALL VEHICLES [ ] SCHEDULED VEHICLES	ACTUAL CASH VALUE / STATED AMOUNT / OTHER			$
GARAGE LIABILITY: [ ] ANY AUTO		AUTO ONLY - EA ACCIDENT			$
		OTHER THAN AUTO ONLY: EACH ACCIDENT			$
		AGGREGATE			$
EXCESS LIABILITY: [ ] UMBRELLA FORM [ ] OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE			$
		AGGREGATE			$
		SELF-INSURED RETENTION			$
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		WC STATUTORY LIMITS			
		E.L. EACH ACCIDENT			$
		E.L. DISEASE - EA EMPLOYEE			$
		E.L. DISEASE - POLICY LIMIT			$
SPECIAL CONDITIONS/OTHER COVERAGES	Participants Legal 1,000,000; Liquor 1,000,000; EDL 1,000,000; 10,000 each claim ded w/t annual agg of 65,000;	FEES			$
		TAXES			$
		ESTIMATED TOTAL PREMIUM			$

NAME & ADDRESS

[ ] MORTGAGEE [ ] ADDITIONAL INSURED
[ ] LOSS PAYEE
LOAN #

AUTHORIZED REPRESENTATIVE
[signature]

NOTE: IMPORTANT STATE INFORMATION ON REVERSE SIDE ©ACORD CORPORATION 1993

EXHIBIT "B"

SURETY BOND

AMOUNT: $1,000,000

KNOW ALL MEN BY THESE PRESENTS, that **MACON COUNTY GREYHOUND PARK, INC.,** an Alabama Corporation, hereinafter called the "OPERATOR" (also referred to herein as "SURETY"), is held and firmly bound unto those Licensees as Principals set forth on Exhibit "A"(Collectively, the "OBLIGEES"), in the sum of: One Million and No/100 Dollars ($1,000,000), lawful money of the United States of America, for the payment of which, well and truly be made to the OBLIGEES, the OPERATOR and the SURETY bind themselves and each of their successors and assigns, jointly and severally, firmly by these presents as follows:

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT:

WHEREAS, the OPERATOR has executed and entered into a certain agreements (collectively, the "Contracts"), with the OBLIGEES, for the operation of bingo games on behalf of OBLIGEES.

WHEREAS, applicable law and regulations require OPERATOR to provide OBLIGEES with cash or surety bond in the amount of $1,000,000.

NOW, THEREFORE, if the OPERATOR shall in all things perform all the terms and conditions of the within and foregoing surety obligation as provided in the Contracts to be by such OPERATOR performed, and shall honor all valid claims made for prizes or money won in a bingo session conducted by OPERATOR on behalf of OBLIGEES, and shall pay over, make good and reimburse to the OBLIGEES, all loss or damage which the OBLIGEES may sustain by reason of failure or default on the part of OPERATOR, then this obligation shall be void; otherwise it shall be and remain in full force and effect.

IN WITNESS WHEREOF, the above party has executed this instrument this 16th day of December, 2003.

(SEAL)

OPERATOR AND SURETY:

MACON COUNTY GREYHOUND PARK, INC.

By: Milton E. McGregor
Milton E. McGregor
Its: President

EXHIBIT "C"

EXHIBIT "A"

1. Tuskegee Human & Civil Rights & Multicultural Center
2. Chehaw Volunteer Fire Department
3. Aid to Inmate Matters (AIM)
4. ~~United Negro College Fund of Tuskegee University~~
5. St. Joseph School
6. B & D Cancer Care Center, Inc.
7. Boy Scouts of America, Carver District
8. Prairie Farms Center
9. Macon County Public Library
10. Macon County Board of Education
11. Tuskegee Macon County YMCA
12. Macon-Russell Community Action Agency, Inc.
13. Little Texas Volunteer Fire Department

- Some games will be server based electronic games which require a pre-established electronic customer access card. Other games require point of sale electronic voucher verification.
- MCGP shall maintain detailed records of cash receipts and disbursements arising from bingo gaming activities to ensure existence, completeness and proper measurement of all transactions.
- Detailed transaction histories will be maintained for all customer accounts to facilitate account reconciliation and dispute resolution.
- Each business day will run from beginning of play at approximately 8:30 a.m. through 8:00 a.m. the following day at which time game play will cease for approximately 30 minutes while end of day closing procedures are completed.
- Internal controls will provide for the segregation of duties and safeguarding the custody of assets to mitigate the risks of misappropriation, theft, fraud and defalcations.

EXHIBIT "D"

EvanTerry Associates

James L.E. Terry AIA
Neil H. King Jr. AIA

James W. Albea Jr. AIA
Jeffrey S. Fowler AIA
Pat Hodges AIA
Todd R. Hollingsworth AIA
Lawrence L. Hughey AIA
Dennis N. Miles AIA
George H. Sporl ASLA
Dan E. Woosley AIA
Malcolm L. Sokol AIA

December 16, 2003

Mr. Monte Russell
VICTORYLAND GREYHOUND PARK
400 South Union Street, Suite 415
Montgomery, Alabama 36104

RE: ADA SURVEY
Victoryland Greyhound Park
Shorter, Alabama
ETA Job Number 3011

Dear Mr. Russell:

Evan Terry Associates conducted an on-site ADA inspection of the facility last week. With regards to the arcade area, there were three areas that need corrective work. These items are as follows:

1. Grab bars on the back walls in the two handicap toilets need to be installed.
2. Insulation needs to be installed on the drain lines at all lavatories.
3. Closers into the toilets need to be adjusted to not exceed five pounds opening pressure.

In our conversation with Robert Cardwell on December 15, 2003, Brasfield & Gorrie will be taking corrective action on these items on this date.

In addition, there were deficiencies in the path of access from the parking area. These items are being corrected under the current renovation project.

If we may be of further assistance, please advise.

Sincerely,

EVAN TERRY ASSOCIATES, P. C.

[signature]

Neil H. King, Jr., AIA
President/COO

NHKjr:md

EXHIBIT "E"

EXHIBIT B

ORIGINAL

MACON COUNTY SHERIFF'S DEPARTMENT

BINGO LICENSE

(EXPIRES DECEMBER 31, 2004)

LICENSE NO. 46-001-2003

CLASS B

BY THE AUTHORITY INVESTED IN THE SHERIFF OF MACON COUNTY, ALABAMA, PURSUANT TO THE PROVISIONS OF AMENDMENT NO. 744 OF THE CONSTITUTION OF ALABAMA, THIS LICENSE FOR THE OPERATION AND CONDUCT OF BINGO GAMES IN MACON COUNTY IS HEREBY ISSUED TO:

TUSKEGEE MACON COUNTY YMCA

SAID BINGO GAMES WILL BE OPERATED AT THE FOLLOWING LOCATION:

MACON COUNTY GREYHOUND PARK d/b/a VICTORYLAND
8680 COUNTY ROAD 40
SHORTER, ALABAMA 36075

ON THE DESIGNATED DAY(S) OF: **MONDAY THRU SUNDAY**

ISSUED THIS THE 17 DAY OF DECEMBER, 2003.

MACON COUNTY SHERIFF'S DEPARTMENT

BY: [signature]
DAVID M. WARREN
SHERIFF

THIS LICENSE MUST BE PROMINENTLY DISPLAYED AT THE PLACES AND TIMES THAT BINGO GAMES ARE OPERATED AND CONDUCTED

[signature] My Commission Expires 4/29/05

EXHIBIT C

CLASS B BINGO LICENSES

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
2003							
December-03							
12/17/2003	12/17/2003	46-001-2003	Tuskegee-Macon County YMCA	12/31/2004			
12/17/2003	12/17/2003	46-002-2003	Macon County Board of Education	12/31/2004			
12/17/2003	12/17/2003	46-003-2003	Macon-Russell Community Action Agency	12/31/2004			
12/17/2003	12/17/2003	46-004-2003	St. Joseph School	12/31/2004			
12/17/2003	12/17/2003	46-005-2003	Little Texas Volunteer Fire Dept.	12/31/2004			
12/17/2003	12/17/2003	46-006-2003	Chehaw Volunteer Fire Dept.	12/31/2004			
12/17/2003	12/17/2003	46-007-2003	B&D Cancer Care Center, Inc.	12/31/2004			
12/17/2003	12/17/2003	46-008-2003	Macon County Public Library	12/31/2004			
12/17/2003	12/17/2003	46-009-2003	Boy Scouts of America, Carver District	12/31/2004			
12/17/2003	12/17/2003	46-010-2003	Aid to Inmate Mothers (AIM)	12/31/2004			
12/17/2003	12/17/2003	46-011-2003	Prairie Farms Center	12/31/2004			
12/17/2003	12/17/2003	46-012-2003	Tuskegee Human & Civil Rights & Multicultural Center	12/31/2004			
Total Licenses issued December 2003				12			**12**
Total Licenses issued in 2003				12			

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
2004							
January-04							
1/15/2004	1/15/2004	46-013-2004	Interim Care for Seniors	12/31/2004			
1/15/2004	1/15/2004	46-014-2004	Macon County Council on Retardation & Rehabilitation	12/31/2004			
1/15/2004	1/15/2004	46-015-2004	Tuskegee Repertory Theatre, Inc.	12/31/2004			
1/29/2004	1/29/2004	46-016-2004	Brownville Volunteer Fire Dept.	12/31/2004			
1/29/2004	1/29/2004	46-017-2004	Fort Davis Volunteer Fire Dept.	12/31/2004			
1/29/2004	1/29/2004	46-018-2004	Franklin Volunteer Fire Dept.	12/31/2004			
1/29/2004	1/29/2004	46-019-2004	Warrior Stand Volunteer Fire Dept., Inc.	12/31/2004			
1/29/2004	1/29/2004	46-020-2004	AL Coop Extension System (Macon County Office)	12/31/2004			
1/29/2004	1/29/2004	46-021-2004	Macon County RSVP	12/31/2004			
1/29/2004	1/29/2004	46-022-2004	Macedonia Community Volunteer Fire Dept.	12/31/2004			
1/29/2004	1/29/2004	46-023-2004	Southeast Alabama Sickle Cell Association, Inc.	12/31/2004			
1/29/2004	1/29/2004	46-024-2004	Kiwanis Club of Macon County-Tuskegee	12/31/2004			
1/29/2004	1/29/2004	46-025-2004	Ambulatory Behavior Healthcare Center, Inc.	12/31/2004			
1/29/2004	1/29/2004	46-026-2004	Shorter Community Outreach	12/31/2004			
Total Licenses Issued January 2004				14			**26**
February-04							
March-04							
3/8/2004	3/8/2004	46-027-2004	American Heart Association	12/31/2004			
3/8/2004	3/8/2004	46-028-2004	City of Tuskegee - Senior Citizens Program	12/31/2004			
3/8/2004	3/8/2004	46-030-2004	Fund	12/31/2004			
Total Licenses Issued March 2004				3			**29**
April-04							

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
May-04							
June-04							
July-04							
7/12/2004	7/12/2004	46-031-2004	Betterment Club for Boys and Girls, Inc.	12/31/2004			
7/12/2004	7/12/2004	46-032-2004	Tuskegee-Macon County Headstart	12/31/2004			
7/12/2004	7/12/2004	46-033-2004	Macon County Healthcare Authority	12/31/2004			
7/12/2004	7/12/2004	46-034-2004	Macon County Outreach Modification	12/31/2004			
7/12/2004	7/12/2004	46-035-2004	South East Alabama Self-Help Association, Inc. (Seasha)	12/31/2004			
7/12/2004	7/12/2004	46-036-2004	Town of Notasulga-Notasulga Fire Dept.	12/31/2004			
7/12/2004	7/12/2004	46-037-2004	Tuskegee Area Chamber of Commerce	12/31/2004			
Total Licenses Issued July 2004				7			**36**
August-04							
8/17/2004	8/17/2004	46-038-2004	Veterans of Foreign Wars, Harris-Mosley Tressville	12/31/2004			
Total Licenses Issued August 2004				1			**37**
September-04							
October-04							
November-04							
11/18/2004	11/18/2004	46-039-2004	American Red Cross	12/31/2004			
11/18/2004	11/18/2004	46-040-2004	Care and Share Committee of Macon County.	12/31/2004			
Total Licenses Issued November 2004				2			**39**
December-04						√	
12/29/2004	1/1/2005	46-001-2005	Tuskegee-Macon County YMCA	12/31/2005			

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
12/29/2004	1/1/2005	46-002-2005	Macon County Board of Education	12/31/2005		√	
12/29/2004	1/1/2005	46-003-2005	Macon-Russell Community Action Agency	12/31/2005		√	
12/29/2004	1/1/2005	46-004-2005	St. Joseph School	12/31/2005		√	
12/29/2004	1/1/2005	46-005-2005	Little Texas Volunteer Fire Dept.	12/31/2005		√	
12/29/2004	1/1/2005	46-006-2005	Chehaw Volunteer Fire Dept.	12/31/2005		√	
12/29/2004	1/1/2005	46-007-2005	B&D Cancer Care Center, Inc.	12/31/2005		√	
12/29/2004	1/1/2005	46-008-2005	Macon County Public Library	12/31/2005		√	
12/29/2004	1/1/2005	46-009-2005	Boy Scouts of America, Carver District	12/31/2005		√	
12/29/2004	1/1/2005	46-010-2005	Aid to Inmate Mothers (AIM)	12/31/2005		√	
12/29/2004	1/1/2005	46-011-2005	Prairie Farms Center	12/31/2005		√	
12/29/2004	1/1/2005	46-012-2005	Tuskegee Human & Civil Rights & Multicultural Center	12/31/2005		√	
12/29/2004	1/1/2005	46-013-2005	Interim Care for Seniors	12/31/2005		√	
12/29/2004	1/1/2005	46-014-2005	Macon County Council on Retardation & Rehabilitation	12/31/2005		√	
12/29/2004	1/1/2005	46-015-2005	Tuskegee Repertory Theatre, Inc.	12/31/2005		√	
12/29/2004	1/1/2005	46-016-2005	Brownville Volunteer Fire Dept.	12/31/2005		√	
12/29/2004	1/1/2005	46-017-2005	Fort Davis Volunteer Fire Dept.	12/31/2005		√	
12/29/2004	1/1/2005	46-018-2005	Franklin Volunteer Fire Dept.	12/31/2005		√	
12/29/2004	1/1/2005	46-019-2005	Warrior Stand Volunteer Fire Dept., Inc.	12/31/2005		√	
12/29/2004	1/1/2005	46-020-2005	Office)	12/31/2005		√	
12/29/2004	1/1/2005	46-021-2005	Macon County RSVP	12/31/2005		√	
12/29/2004	1/1/2005	46-022-2005	Macedonia Community Volunteer Fire Dept.	12/31/2005		√	
12/29/2004	1/1/2005	46-023-2005	Southeast Alabama Sickle Cell Association, Inc.	12/31/2005		√	
12/29/2004	1/1/2005	46-024-2005	Kiwanis Club of Macon County - Tuskegee	12/31/2005		√	
12/29/2004	1/1/2005	46-025-2005	Ambulatory Behavior Healthcare Center, Inc.	12/31/2005		√	
12/29/2004	1/1/2005	46-026-2005	Shorter Community Outreach	12/31/2005		√	

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
12/29/2004	1/1/2005	46-027-2005	American Heart Association	12/31/2005		√	
12/29/2004	1/1/2005	46-028-2005	City of Tuskegee - Senior Citizens Program	12/31/2005		√	
12/29/2004	1/1/2005	46-030-2005	EAFD & MA - Macon County Indigent Burial Fund	12/31/2005		√	
12/29/2004	1/1/2005	46-031-2005	Betterment Club for Boys and Girls, Inc.	12/31/2005		√	
12/29/2004	1/1/2005	46-032-2005	Tuskegee-Macon County Headstart	12/31/2005		√	
12/29/2004	1/1/2005	46-033-2005	Macon County Healthcare Authority	12/31/2005		√	
12/29/2004	1/1/2005	46-034-2005	Macon County Outreach Modification	12/31/2005		√	
12/29/2004	1/1/2005	46-035-2005	South East Alabama Self-Help Association, Inc. (Seasha)	12/31/2005		√	
12/29/2004	1/1/2005	46-036-2005	Town of Notasulga-Notasulga Fire Dept.	12/31/2005		√	
12/29/2004	1/1/2005	46-037-2005	Tuskegee Area Chamber of Commerce	12/31/2005		√	
12/29/2004	1/1/2005	46-038-2005	Veterans of Foreign Wars, Harris-Mosley Tressville	12/31/2005		√	
12/29/2004	1/1/2005	46-039-2005	American Red Cross	12/31/2005		√	
12/29/2004	1/1/2005	46-040-2005	Care and Share Committee of Macon County	12/31/2005		√	
Total Licenses Issued December 2004				39			**39**
Total Licenses Renewed in 2004				39			
Total New Licenses Issued in 2004				26			

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
2005							
January-05							
February-05							
2/7/2005	2/7/2005	46-041-2005	Lewis Adams Early Childhood School	12/31/2005			
2/7/2005	2/7/2005	46-042-2005	Notasulga High School	12/31/2005			
2/7/2005	2/7/2005	46-043-2005	South Macon Elementary School	12/31/2005			
2/7/2005	2/7/2005	46-044-2005	Tuskegee Public Elementary School	12/31/2005			
2/7/2005	2/7/2005	46-045-2005	Washington Public Elementary School	12/31/2005			
2/7/2005	2/7/2005	46-046-2005	Deborah Cannon Wolfe High School	12/31/2005			
2/7/2005	2/7/2005	46-047-2005	Booker T. Washington High School	12/31/2005			
2/7/2005	2/7/2005	46-048-2005	Macon County Commission	12/31/2005			
2/7/2005	2/7/2005	46-049-2005	Tuskegee Institute Middle School	12/31/2005			
2/7/2005	2/7/2005	46-050-2005	Macon County Adult Basic Education	12/31/2005			
2/7/2005	2/7/2005	46-051-2005	Harris Barrett Historical School	12/31/2005			
2/7/2005	2/7/2005	46-052-2005	NAACP (Tuskegee-Macon County Branch)	12/31/2005			
2/7/2005	2/7/2005	46-053-2005	Tuskegee Housing Authority	12/31/2005			
2/7/2005	2/7/2005	46-054-2005	Macon County PALS (People Against a Littered State)	12/31/2005			
Total Licenses Issued February 2005				14			**53**
March-05							
April-05							
4/29/2005	4/29/2005	46-055-2005	Macon County Humane Society	12/31/2005			
Total Licenses Issued April 2005				1			**54**
May-05							
5/5/2005	5/5/2005	46-056-2005	District 3 Volunteer Fire Dept.	12/31/2005			
5/11/2005	5/11/2005	46-057-2005	World Council of Mayors, Inc.	12/31/2005			
5/17/2005	5/17/2005	46-058-2005	City of Tuskegee	12/31/2005			

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
Total Licenses Issued May 2005				3			**57**
June-05							
6/14/2005	6/14/2005	46-059-2005	Notasulga Nutrition Center	12/31/2005			
6/14/2005	6/14/2005	46-060-2005	TSCCO, Inc. (Tuskegee School Community Christian Organization)	12/31/2005			
Total Licenses Issued June 2005				2			**59**
July-05							
August-05							
September-05							
October-05							
November-05							
December-05						√	
12/30/2005	1/1/2006	46-001-2006	Tuskegee - Macon County YMCA	12/31/2006			
12/30/2005	1/1/2006	46-002-2006	Macon County Board of Education	12/31/2006		√	
12/30/2005	1/1/2006	46-003-2006	Macon-Russell Community Action Agency	12/31/2006		√	
12/30/2005	1/1/2006	46-004-2006	St. Joseph School	12/31/2006		√	
12/30/2005	1/1/2006	46-005-2006	Little Texas Volunteer Fire Dept.	12/31/2006		√	
12/30/2005	1/1/2006	46-006-2006	Chehaw Volunteer Fire Dept.	12/31/2006		√	
12/30/2005	1/1/2006	46-007-2006	B&D Cancer Care Center, Inc.	12/31/2006		√	
12/30/2005	1/1/2006	46-008-2006	Macon County Public Library	12/31/2006		√	
12/30/2005	1/1/2006	46-009-2006	Boy Scouts of America	12/31/2006		√	
12/30/2005	1/1/2006	46-010-2006	Aid to Inmate Mothers (AIM)	12/31/2006		√	

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
12/30/2005	1/1/2006	46-011-2006	Prairie Farms Center	12/31/2006		√	
12/30/2005	1/1/2006	46-012-2006	Tuskegee Human & Civil Rights & Multicultural	12/31/2006		√	
12/30/2005	1/1/2006	46-013-2006	Interim Care for Seniors	12/31/2006		√	
12/30/2005	1/1/2006	46-014-2006	Macon County Council on Retardation & Rehabilitation	12/31/2006		√	
12/30/2005	1/1/2006	46-015-2006	Tuskegee Repertory Theatre	12/31/2006		√	
12/30/2005	1/1/2006	46-016-2006	Brownville Volunteer Fire Department	12/31/2006		√	
12/30/2005	1/1/2006	46-017-2006	Fort Davis Volunteer Fire Dept.	12/31/2006		√	
12/30/2005	1/1/2006	46-018-2006	Franklin Volunteer Fire Dept.	12/31/2006		√	
12/30/2005	1/1/2006	46-019-2006	Warrior Stand Volunteer Fire Dept., Inc.	12/31/2006		√	
12/30/2005	1/1/2006	46-020-2006	AL Coop Extension System (Macon County Office)	12/31/2006		√	
12/30/2005	1/1/2006	46-021-2006	Macon County RSVP	12/31/2006		√	
12/30/2005	1/1/2006	46-022-2006	Macedonia Community Volunteer Fire Dept.	12/31/2006		√	
12/30/2005	1/1/2006	46-023-2006	South East Alabama Sickle Cell Association, Inc.	12/31/2006		√	
12/30/2005	1/1/2006	46-024-2006	Kiwanis Club of Macon County - Tuskegee	12/31/2006		√	
12/30/2005	1/1/2006	46-025-2006	Ambulatory Behavior Healthcare Center, Inc.	12/31/2006		√	
12/30/2005	1/1/2006	46-026-2006	Shorter Community Outreach	12/31/2006		√	
12/30/2005	1/1/2006	46-027-2006	American Heat Association	12/31/2006	8/1/2006	√	
12/30/2005	1/1/2006	46-028-2006	City of Tuskegee - Senior Citizens Program	12/31/2006		√	
12/30/2005	1/1/2006	46-030-2006	EAFD & MA - Macon County Indigent Burial Fund	12/31/2006		√	
12/30/2005	1/1/2006	46-031-2006	Betterment Club for Boys and Girls, Inc.	12/31/2006		√	
12/30/2005	1/1/2006	46-032-2006	Tuskegee - Macon County Headstart	12/31/2006		√	
12/30/2005	1/1/2006	46-033-2006	Macon County Healthcare Authority	12/31/2006		√	
12/30/2005	1/1/2006	46-034-2006	Macon County Outreach Modification	12/31/2006		√	
12/30/2005	1/1/2006	46-035-2006	South East Alabama Self-Help Association, Inc. (Seasha)	12/31/2006		√	

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
12/30/2005	1/1/2006	46-036-2006	Town of Notasulga-Notasulga Fire Dept.	12/31/2006		√	
12/30/2005	1/1/2006	46-037-2006	Tuskegee Area Chamber of Commerce	12/31/2006		√	
12/30/2005	1/1/2006	46-038-2006	Veterans of Foreign Wars, Harris-Mosley Tressville	12/31/2006		√	
12/30/2005	1/1/2006	46-039-2006	American Red Cross	12/31/2006		√	
12/30/2005	1/1/2006	46-040-2006	Care and Share Committee of Macon County	12/31/2006		√	
12/30/2005	1/1/2006	46-041-2006	Lewis Adams Early Childhood School	12/31/2006		√	
12/30/2005	1/1/2006	46-042-2006	Notasulga High School	12/31/2006		√	
12/30/2005	1/1/2006	46-043-2006	South Macon Elementary School (Closed 8/10/05) MCGP Notified 1/12/06.	12/31/2006		√	
12/30/2005	1/1/2006	46-044-2006	Tuskegee Public Elementary School	12/31/2006		√	
12/30/2005	1/1/2006	46-045-2006	Washington Public Elementary School (Closed 1/03/06) MCGP Notified 1/12/06.	12/31/2006		√	
12/30/2005	1/1/2006	46-046-2006	Deborah Cannon Wolfe High School	12/31/2006	8/10/2005	√	
12/30/2005	1/1/2006	46-047-2006	Booker T. Washington High School	12/31/2006		√	
12/30/2005	1/1/2006	46-048-2006	Macon County Commission	12/31/2006		√	
12/30/2005	1/1/2006	46-049-2006	Tuskegee Institute Middle School	12/31/2006		√	
12/30/2005	1/1/2006	46-050-2006	Macon County Adult Basic Education (Closed 8/01/06) MCGP Notified 8/15/06.	12/31/2006		√	
12/30/2005	1/1/2006	46-051-2006	Harris Barrett Historical School	12/31/2006		√	
12/30/2005	1/1/2006	46-052-2006	NAACP (Tuskegee-Macon County Branch)	12/31/2006		√	
12/30/2005	1/1/2006	46-053-2006	Tuskegee Housing Authority	12/31/2006		√	
12/30/2005	1/1/2006	46-054-2006	Macon County PALS (People Against a Littered State)	12/31/2006		√	
12/30/2005	1/1/2006	46-055-2006	Macon County Humane Society	12/31/2006		√	
12/30/2005	1/1/2006	46-056-2006	District 3 Volunteer Fire Dept.	12/31/2006		√	
12/30/2005	1/1/2006	46-057-2006	World Council of Mayors, Inc.	12/31/2006		√	
12/30/2005	1/1/2006	46-058-2006	City of Tuskegee	12/31/2006		√	
12/30/2005	1/1/2006	46-059-2006	Notasulga Nutrition Center	12/31/2006			

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
12/30/2005	1/1/2006	46-060-2006	TSCCO, Inc. (Tuskegee School Community Christian Organization)	12/31/2006	1/3/2006	√	
Total Licenses Issued December 2005				59			
Total Licenses Renewed in 2005				59			
Total New Licenses issued 2005				20			
Total Licenses Terminated Effective 2005				1			58

DATE ISSUED	DATE EFFECTIVE	LICENSE NUMBER	NAME OF ORGANIZATION	DATE EXPIRED	DATE CLOSED	RENEWED	ACTIVE LICENSES
2006							
January-06							
February-06							
March-06							
3/20/2006	3/20/2006	46-061-2006	Macon County Senior Olympics Organization, Inc.	12/31/2006			
3/20/2006	3/20/2006	46-062-2006	George Washington Carver Elementary School	12/31/2006			
3/20/2006	3/20/2006	46-063-2006	The Food Bank of East Alabama	12/31/2006			
Total Licenses Issued March 2006				3			**61**
April-06							
May-06							
June-06							
July-06							
August-06							
Total New Licenses Effective in 2006				3			
Total Licenses Canceled Effective 2006				2			**59**

EXHIBIT D

OPERATOR'S CERTIFICATE

1. My name is Milton E. McGregor and I am an individual resident of Montgomery, Alabama. I am the President of Macon County Greyhound Park, Inc. and have personal knowledge of the facts and information stated herein.

2. Pursuant to Amendment No. 744 to the Constitution of Alabama, Act No. 2003-124 and the Macon County Bingo Regulations promulgated by the Sheriff, Macon County Greyhound Park, Inc. has contracted with certain nonprofit organizations who have made application to the Macon County Sheriff for a Class B Bingo License to operate bingo games at its facility located at 8680 County Road 40, Shorter, Alabama 36075.

3. In accordance with the Macon County Bingo Regulations, the following information is submitted herewith in support of each applicant's bingo license application by Macon County Greyhound Park, Inc. as a qualified location for the holder of the Class B License.

4. More than two-thirds (2/3) of the stockholders of Macon County Greyhound Park, Inc. are residents of the State of Alabama and have been so for more than five (5) years.

5. The parking facilities available at Macon County Greyhound Park, Inc. contain approximately 1500 separate spaces and are well-lighted by 38 lamps mounted on 12 poles.

6. Adequate on-site security is provided at Macon County Greyhound Park, Inc. by 30 certified officers and 26 security personnel who are on duty in three shifts, 24 hours a day, 7 days a week.

7. Adequate on-site first aid is provided at Macon County Greyhound Park, Inc. by 5 EMTs, at least one of which is on duty 24 hours a day, 7 days a week.

8. The owners of Macon County Greyhound Park, Inc. paid more than $15,000,000 for the land, building and other capital improvements (before depreciation) comprising said qualified location. A copy of the balance sheet is available for inspection by the Sheriff.

9. Macon County Greyhound Park, Inc. has public liability insurance with USF&G in the amount of $5,000,000. A copy of the declarations page for this insurance is available for inspection by the Sheriff.

10. Macon County Greyhound Park, Inc. has liquor liability insurance with USF&G in the amount of $1,000,000. A copy of the declarations page for this insurance is available for inspection by the Sheriff.

11. Macon County Greyhound Park, Inc. has issued a surety bond in the amount of $1,000,000 assuring and guaranteeing the performance of the bingo games and the payment of all prizes awarded by the bingo games to patrons of this qualified location. A copy of this surety bond is available for inspection by the Sheriff.

12. Macon County Greyhound Park, Inc. has implemented accounting procedures and security monitoring at the facility to preserve and promote the integrity of the operation of bingo games and to ensure the protection of the charitable license holder and its patrons. A copy of these procedures has been previously provided to the Sheriff and is available for inspection.

13. Macon County Greyhound Park, Inc. has previously provided a letter from its architect regarding its compliance with the Americans With Disabilities Act. A copy of this letter is available for inspection by the Sheriff.

Milton E. McGregor
President
Macon County Greyhound Park, Inc.

EXHIBIT E

NEWS RELEASE

TROY KING
Alabama Attorney General

FOR IMMEDIATE RELEASE

For More Information, Contact:
Joy Patterson 334.242.7491
Suzanne Webb 334.242.7351

A.G. KING ANNOUNCES FINDINGS OF HIS GAMBLING REVIEW

December 1, 2004

(MONTGOMERY)— Attorney General Troy King today announced the findings from his unprecedented, hands-on evaluation and review of gambling occurring in Alabama. The review was initiated as a result of complaints received from individuals and groups and began on July 2 with the first of several tours of gambling facilities in the state. The Attorney General made public his findings today "because I have now completed my initial review of gambling in Alabama. In the future, as in the past, so long as gambling occurs in Alabama, my review can never be complete."

As a preface to his remarks Attorney General King stated that "I feel compelled to share with you my own view of gambling. I am personally opposed to gambling and have voted against its expansion when the opportunity has been presented. I believe that gambling creates more social ills than can be cured by the revenue it generates. I do not believe that gambling is a responsible or a sure way to fund the operation of government. I do not believe that gambling is a reliable economic development engine. I do believe that gambling preys upon the desperate and the hopeless."

Attorney General King also noted that "It is not my job as Attorney General, however, to determine whether Alabama will allow gambling. It is not my personal belief on a public policy matter that controls my actions as Attorney General, but, instead, it is the law and my duty to faithfully enforce it that must guide me. This office must, and will, so long as I am Attorney General, operate in adherence to one standard – the law. I took an oath and pledged to the people of Alabama that I would be true to the law. That is what I have done in this case."

"The process I undertook has been challenging. It has required my staff and me to become familiar with the patchwork of complex laws that govern gambling in our land. These laws are a complicated mix of federal statutes, regulations promulgated by the Indian Gaming Regulatory Commission, constitutional amendments, and local regulatory schemes."

Alabama is a state with an unusual provision in her constitution that allows for the enactment of constitutional amendments affecting less than the whole state. In Alabama there are eighteen different local constitutional amendments authorizing some form of bingo in either a particular city or county. From this morass of legal authority, it has become clear that there are four categories of gambling occurring in Alabama today: (1) gambling occurring in facilities operating without a constitutional amendment; (2) gambling occurring in facilities operating with a valid constitutional amendment; (3) gambling occurring in facilities operating pursuant to a flawed constitutional amendment; and (4) gambling occurring in facilities operating on Native American tribal lands.

1. Facilities operating without a constitutional amendment: Section 65 of Alabama's constitution contains a clear and unequivocal prohibition against the conduct of lotteries. A lottery has been defined by the courts of Alabama to be an activity where a player pays to play for the opportunity to win a prize based on chance. Bingo clearly falls within this definition and, without a further enablement in the constitution, is prohibited. The Alabama Legislature has also allowed for the operation of amusement machines pursuant to Section 13A-12-76, Code of Alabama of 1975. This is known as the Chuck E. Cheese law and permits for the play of machines where skill predominates over chance in determining the outcome of the game, and prizes are limited to items valued at no more than five dollars, which cannot be paid in cash.

   There are facilities operating gambling operations within Alabama where lotteries or bingo are conducted and played on machines without any legal authority. When the operators of these facilities make payouts in cash, they are in direct violation of state law. Attorney General King emphasized that "where we find instances of this type of illegal gambling occurring, we will take strong enforcement actions, as we took in Pike County on August 13 of this year. To those who operate these facilities, the message is simple: prepare to pay the price."

2. Facilities operating under a valid constitutional amendment: Amendments 743 and 744 authorizing the facilities such as Greenetrack and Victoryland provide for the playing of bingo. The use of the word bingo is the source of much of the debate regarding what type of gambling is allowed in Alabama. Bingo evolved from a game that has been played in Italy since 1530. The game made its way across Europe and to the United States some time in the 1920s under the name "beano." In late 1929, Edwin S. Lowe discovered the game and renamed the game "bingo." This game is the game we recognize today as "bingo." It is a game played on a grid consisting of five horizontal and five vertical squares containing numbers that are covered up as numbers are randomly drawn and that is won when a preordained pattern is covered on the card. There are believed to be over 1.4 million variations of the "bingo" card. This is a game that must be played against other players and not played as a house banked game.

   Bingo has evolved from its origins hundreds of years ago to cards where the numbers are covered by buttons or other markers, to sheets of paper where the numbers are daubed with a paint pen, to laptop computer-like devices where multiple cards can be played simultaneously, to video consoles where the bingo game is simulated using computer chips. It is machines of this final sort that are most prominently on display at Greenetrack and Victoryland and which have been the focus of much of the controversy in Alabama surrounding the legality of these operations.

   The games played on these video consoles must have certain important features to be bingo: First, the game must incorporate the typical features of traditional bingo, including, but not limited to, a grid of five horizontal and five vertical squares, numbers randomly selected, and a preordained winning pattern. Spinning wheels and other video graphics must not affect game play. Second, just as in traditional bingo halls, players on the machines must compete against one another. Consequently, the electronic machines must be linked so that players are competing against each other to permit the machines to comply with the constitutional requirement of "bingo." For example, such a machine might depict a bingo card in the upper left hand corner of the machine, and as the game play commences, balls containing numbers begin to fall. When a number depicted on the card is dropped, it would be marked on the cards of those playing and players would win prizes in the same manner that they win prizes in traditional bingo halls. If the machines at any facility should ever be determined to be operating independently or hosting games for single participants, then these facilities would be operating outside the bounds of the constitutional grant and would be subject to the appropriate legal action.

It cannot be concluded, as some have, that just because the game is being played on video consoles, it is not "bingo." Just as no one would contend that e-mails are any less a form of correspondence than are letters written with a quill pen, but instead represent a technological evolution in correspondence, similarly, bingo games that are depicted on a video console can still be bingo--albeit a technologically advanced form of bingo--but bingo nonetheless.

Attorney General King's conclusion is that, as a matter of law, machines that operate in the manner described above are permissible under the broad language of Amendment 743 relating to Greene County and Amendment 744 relating to Macon County. Attorney General King warned that "under no circumstances, however, should anyone construe my comments here today to mean that Class III gaming, as defined under the Indian Gaming Regulatory Act, is permissible in the state of Alabama. Machines that do not operate as I have described are not bingo and violate state law."

The Attorney General's Office continues to work closely with local, state and federal authorities to ensure that, in the future, the machines being played in these facilities are of the type commonly known as bingo and none other.

"My initial review has revealed a number of machines that exceed the definition of bingo that I have described for you today. Play of these machines should be discontinued and they should be reprogrammed or replaced to comply with my findings today" said King.

3. Facilities operating under a flawed constitutional amendment: As Attorney General King reviewed the gambling operations across Alabama, he studied the underlying amendments authorizing the operation of these facilities. During this process, it came to his attention that the facility in White Hall, Alabama, in Lowndes County, is operating pursuant to a constitutional amendment that was flawed in its ratification.

   Amendment 555 of Alabama's Constitution establishes three prerequisites for the approval of a local constitutional amendment: First, the amendment must be passed by a three-fifths vote of both Houses of the Legislature; second, the amendment must pass without a dissenting vote in either House of the Legislature; and third, the amendment must be approved as being local in nature by the Local Constitutional Amendment Commission that is composed of the Governor, the Attorney General, the Lieutenant Governor, the Speaker of the House of Representatives, and the Secretary of State. Amendment 732, the amendment granting the Town Council of White Hall the right to license bingo operations, as it moved through the Legislature, had a dissenting vote cast against it by then Senator George Callahan. Consequently, ratification of this amendment should have been on a statewide, not a local, ballot.

   Attorney General King has instructed members of his staff to file a declaratory judgment action asking the courts to invalidate this amendment as improperly ratified and fatally flawed. Although White Hall has another, more general bingo amendment, Amendment No. 674, its provisions are too restrictive to allow the facility at White Hall to continue operating as it presently does. Once the Amendment is invalidated, the attorney general's office will then pursue an injunction to halt the current operation of the gaming facilities in White Hall.

4. Gambling on Indian tribal lands: Attorney General King has been clear since the beginning of his review that, as Attorney General, he did not have any jurisdiction over Indian tribal land gaming operations. Violations of federal regulations within the borders of Alabama are of great concern to him as a citizen and as Attorney General. However, as he has stated previously, it is his intention to refer any Indian gaming violations to the appropriate federal authorities, many of whom he has

met and consulted with in recent months. Because he was asked by them not to disclose their discussions, he will have no comment on this subject.

Attorney General King stated that "my office has now completed the most exhaustive review of gambling within the borders of Alabama. The people of Alabama should take heart in knowing that this review has been comprehensive. Where illegal gambling is occurring in our state, steps have either already been taken or are in the process of being taken to enforce the law and stop these activities. I believe that the pro-active stance taken by my office and my personal involvement has sent an important message that the laws of this state will be enforced. These findings should bring clarity to the law allowing both the proponents and opponents of gambling to know the legal bounds within which gambling must operate in Alabama and allowing those charged with enforcing the law to do so more effectively."

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EXHIBIT 5

RULES AND REGULATIONS FOR THE LICENSING AND OPERATION OF BINGO GAMES IN MACON COUNTY, ALABAMA

Section 1: Definitions 1

Section 2: Operation of Bingo Games in Macon County....................3

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MACON COUNTY BINGO REGULATIONS

The following Rules and Regulations For the Licensing and Operation of Bingo Games in Macon County (hereinafter sometimes referred to as "Rules", "Regulations" or "Rules and Regulations") are hereby promulgated by David M. Warren, Sheriff of Macon County, to regulate the issuance of permits or licenses for and the operation of bingo games by certain nonprofit organizations in Macon County, Alabama pursuant to Act. No. 2003-124, Regular Session, 2003, authorizing a referendum on an amendment of the Constitution of Alabama which said referendum was approved by the voters on November 4, 2003.

Section 1: Definitions

As used herein the following words shall have the following meanings as described herein, unless the context clearly indicates otherwise:

(a) "Bingo" or "Bingo games" shall mean any game of chance known as bingo, including any bingo game permitted by federal law, (whether or not electronic, computer, or other technologic aids are used in connection therewith) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations, and which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined, and in which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards. Nothing herein is intended to prohibit the award of interim or consolation prizes. Electronic, computer or other technologic aids include any machine or device that assists a player or the playing of a bingo game; broadens the participation levels in a common game; facilitates communication between and among bingo locations; or allows players to play a game with or against other players rather than with or against a machine. Examples of electronic, computer or other technologic aids include, but are not limited to, dispensers, readers, telephones, cables, televisions, screens, satellites, bingo blowers, electronic player stations, electronic cards for participants in bingo games, player terminals, central servers containing random number generators for remote player terminals and video displays providing game results in different display modes.

(b) "Person" shall mean any human being, corporation, partnership, association or other legal entity of any kind whatsoever.

(c) "Sheriff" shall mean the Sheriff of Macon County, Alabama. Under the Rules and Regulations herein, the Sheriff may designate or otherwise authorize persons of the Macon County Sheriff's Office to perform various duties of the Sheriff set forth herein.

(d) "Nonprofit organization" shall mean a bona fide organization for charitable, educational, or other lawful purposes which operates without profit to its members and/or which has been classified by the Internal Revenue Service as a tax exempt organization.

(e) "License holder" shall mean any nonprofit organization that has been issued a bingo license by the Sheriff pursuant to these Regulations.

(f) "Location" shall mean a building, hall, enclosure, room, or outdoor area that complies with all federal, state and local laws and applicable building and fire codes.

(g) "Class A Bingo License" shall mean a license issued to an applicant who desires to operate paper card bingo only at a qualified location.

(h) "Class B Bingo License" shall mean a license issued to an applicant who desires to operate any and all games of bingo as defined hereinabove, at a qualified location.

(i) "Qualified location" for the holder of a Class A Bingo License shall mean a location, as defined above, which has been inspected and approved by the Sheriff for the conduct of bingo games.

(j) "Qualified location" for the holder of a Class B Bingo License shall mean a location, as defined above, which has been inspected and approved by the Sheriff for the conduct of bingo games and other lawful activities and for which the license applicant shall submit satisfactory evidence that the location has in place the following at all times that any bingo games are being conducted or operated: (i) public liability insurance in an amount not less than $5,000,000; (ii) if liquor is served, liquor liability insurance in the amount of not less than $1,000,000; (iii) adequate parking for patrons and employees; (iv) onsite security as prescribed by the Sheriff; (v) onsite first aid personnel as prescribed by the Sheriff; (vi) cash or surety bond in an amount not less than $1,000,000; (vii) such accounting procedures, controls and security monitoring as necessary to preserve and promote the integrity of the operation of bingo games and to ensure the protection of the charitable license holder and its patrons; (viii) satisfactory evidence that the owner or owners of the location paid at least $5,000,000 for the land, building and other capital improvements (before depreciation) comprising said location or the value of said land, building and other capital improvements (before depreciation) must be at least $5,000,000; (ix) satisfactory evidence that the location is fully compliant with the Americans with Disabilities Act ("ADA"); and (x) satisfactory evidence that the owner or owners of such location have been residents of the State of Alabama for at least three (3) years or, if the owner is a partnership, association, corporation, limited liability company, or other business entity, satisfactory evidence that those partners, members, or stockholders of such entity that own collectively at least two-thirds (2/3) of the voting rights and equity interests of such entity, are individuals that have been residents of the State of Alabama for at least three (3) years.

(k) "Bingo session" shall mean a consecutive period of time up to 24 consecutive hours during which bingo is played on as many as seven (7) days in a given week. A license holder shall not be limited in the number of bingo sessions it operates during any 24-hour period.

Section 2: Operation of Bingo Games in Macon County

The operation of bingo games for prizes or money by nonprofit organizations, as defined herein, shall be allowed in Macon County, pursuant to Amendment No. 744 to the Constitution of Alabama and Act No. 2003-124, provided that the nonprofit organization shall first obtain a bingo license (Class A or B) as set out herein, and abide by all of the Regulations duly promulgated by the Sheriff.

Section 3: Bingo License Required

No nonprofit organization, as defined herein, shall be allowed to operate a bingo game unless the Sheriff first issues a license to said organization authorizing it to do so. In the event of any controversy as to whether or not a game of chance or activity constitutes a bingo game, as defined herein, for which a license may be issued, the decision of the Sheriff shall control, subject to the rights of appeal as set out herein. The license described herein shall be in a form designated by the Sheriff and shall be in addition to and not in lieu of any other permits or licenses which may be required by law, and no bingo game shall be operated until such time as all required licenses or permits have been obtained. A license holder may hold only one license and that license shall be valid for only one location in Macon County, Alabama. A license is not assignable or transferable and shall become automatically void upon the change of name, dissolution, loss of charter, or, if the license holder is a tax exempt organization under the federal income tax laws, the loss of exemption from taxation under the Internal Revenue Code.

Section 4: Application for License; Submission; Form; Contents

(a) Any nonprofit organization, as defined herein, desiring to obtain a license to operate bingo games hereunder shall make application to the Sheriff on forms prescribed by the Sheriff and shall pay an annual fee of $250.00 for Class A Bingo Licenses and $1,000.00 for Class B Bingo Licenses. Such license shall expire and become automatically void on December 31 of the calendar year for which it is issued, except that any licenses issued during 2003 shall not expire until December 31, 2004. Renewal applications shall be filed with the Sheriff at least forty-five (45) days prior to January 1 of each calendar year and shall be on forms prescribed by the Sheriff. Renewal applications shall be subject to the same application fee as provided for an original application and shall contain the same information as required in an original application. Should one or more Class B Bingo License holders contract in a given calendar year with the owner of a Class B qualified location, the owner of said Class B qualified location shall pay a business license fee ("Operator's License Fee") of $40,000 at the time the Class B Bingo License is issued or renewed. In no event shall more than one Operator's License Fee be paid by the owner of a Class B qualified location in any given year.

(b) The Sheriff shall refuse to grant a bingo license or renewal to any applicant qualified hereunder unless and until the applicant fully provides the information required hereunder, such being provided in a form and in sufficient detail to satisfy the Sheriff of its validity and sufficiency. The Sheriff shall have complete discretion to require any reasonable confirming documentation as to any information required hereunder and shall have a reasonable time to check or confirm by any method available to him the accuracy or validity of any information provided hereunder.

(c) Each application for a bingo license or renewal thereof shall contain the following information and exhibits:

(1) The date of incorporation or other evidence of inception showing existence by the organization for the prescribed period of time.

(2) A certified copy of the charter, certificate of incorporation, by-laws, or other evidence of legal existence of the organization.

(3) When applicable, a copy of the letter ruling or tax exempt determination letter from the Internal Revenue Service or other proof deemed acceptable by the Sheriff verifying the tax exempt status of the organization named in the application or the parent organization of which the same is a qualified branch, chapter, lodge or post.

(4) The names and residence addresses of each of the officers and directors of the organization, as well as the names and addresses of any members

or persons who shall be in charge of or have control over the operation or promotion of bingo games.

(5) The names and addresses of any persons, organizations, or other entities which shall act as sureties for the applicant or to which the applicant is financially indebted in regard to the operation of bingo games.

(6) The exact physical location at which the applicant will conduct the bingo games and if the premises on which the games are to be conducted are not owned by the applicant, the names and addresses of the owners thereof and a copy of all rental, lease, consulting or other agreements with the said owners regarding the use of the premises for the operation of the bingo games.

(7) A statement listing all convictions, if any, for criminal offenses, other than minor traffic offenses, of each of the persons for whom names are required in subsections (4), (5), and (6) above.

Section 5: Issuance of License

Upon receipt of a fully completed and documented application for a license meeting all of the requirements set out herein, the Sheriff shall make such investigation as he may deem necessary or proper of the qualifications of each applicant as required herein and the truth and veracity of the information contained or attached to the application and after making such investigation and after being first satisfied that all qualifications and requirements as set out herein the Sheriff shall issue such license to said applicant upon the terms and conditions herein set forth. As part of said investigation, any person named in paragraphs 4,5, 6 of Section 4(c) herein may be required to furnish a consent for background and criminal history check.

A Class A Bingo License shall be issued to an applicant who desires to operate paper card bingo only at a qualified location for the holder of a Class A License. A Class B Bingo License shall be issued to an applicant who desires to operate any and all games of bingo, as defined hereinabove, at a qualified location for the holder of a Class B License.

Section 6: Amendments; Applications; Licenses

(a) An applicant may amend an application filed hereunder to correct or complete the information contained therein or to change said information to comply with a change in circumstances at any time prior to the denial thereof by the Sheriff or the issuance of a license thereon, provided that said amendment be made in or on a form satisfactory to the Sheriff and the applicant pays a substitution or amendment fee of $50.00 per amendment.

(b) A license, once issued, may be amended only upon resubmission of a new, completed application satisfactory to the Sheriff, surrender of the license being amended, and payment of a new annual fee. The Sheriff may deny amendments for any reason for which an original application may be denied.

Section 7: Contents and Display of Licenses

(a) Each bingo license shall contain the name and address of the license holder, the location at which the license holder is permitted to conduct bingo games, the days of the week on which the license holder is permitted to conduct bingo games, the date on which the license was issued and upon which it expires.

(b) The license holder shall display the license conspicuously at the location where bingo is being conducted at all times during the conduct of a bingo game.

Section 8: Fee Proceeds

All monies collected by the Sheriff hereunder shall be paid to the County and placed in a separate bingo account, and deposited in a designated bank located in Macon County within three business days of the collection of said fees. All expenses incurred by the Sheriff in the administration and enforcement hereof shall be paid from this account, with the balance, if any, in said account to be used by the Sheriff for general law enforcement purposes. To the extent allowed by law, in the public interest, the said account shall be subject to audit by the State of Alabama Examiners of Public Accounts.

Section 9: General Regulations; Prizes

(a) No person under the age of 19 years shall be permitted to play any game or games of bingo, nor shall any person under the age of 19 years be permitted to conduct or assist in the operation of any game of bingo.

(b) No bingo license shall be issued to any nonprofit organization, unless the organization shall have been in existence for at least three (3) years in the county immediately prior to the issuance of the permit or license.

(c) Bingo games may be operated on the premises owned or leased by the nonprofit organization operating the bingo games.

(d) A nonprofit organization may enter into a contract with any individual, firm, association or corporation to have the individual or entity operate bingo games or concessions on behalf of the nonprofit organization. A nonprofit organization may pay consulting fees to any individual or entity for any services performed in relation to the operation or conduct of a bingo game.

(e) A nonprofit organization may lend its name or allow its identity to be used by another person or entity in the operating or advertising of a bingo game in which the nonprofit organization is not directly and solely operating the bingo game.

(f) Prizes given by any nonprofit organization for the playing of bingo games shall not exceed the cash amount or gifts of equivalent value set by these Rules and Regulations for any bingo session. For the purposes of these Rules and Regulations, no single prize given by any nonprofit organization, or on its behalf, for the playing of bingo games shall exceed $1,000,000 in cash or equivalent value during any bingo session.

(g) No person who has been convicted of a felony offense, and whose civil rights have not been restored by law, shall conduct or in any way participate in the operation of any bingo game permitted hereunder, nor shall any person who has been convicted of any gambling offense be permitted to conduct or in any way participate in the operation of any bingo game permitted hereunder within 12 months of the conviction.

Section 10: Records and Accounting

Each license holder shall keep and maintain the following records and accounts pertaining to each bingo session conducted by it for at least three (3) years from the date of such session:

(a) An itemized list of all gross receipts for each bingo session, which shall include all receipts derived from the sale of bingo cards, entrance fees, donations, or from any other source whatsoever pertaining to the operation of such session. Notwithstanding the foregoing, the holder of a Class B License who has contracted with an individual, firm, association or corporation for the operation of bingo games shall only report the Class B License holder's gross receipts under such contract and provide a copy of such contract to the Sheriff.

(b) An itemized list of all expenses, costs and disbursements, other than prizes, paid or given as a result of the operation of any bingo session, together with the name and address of each person to whom said expenses, disbursements or consideration was paid or given; a receipt or invoice for all items purchased and for all services rendered; and such other records as will adequately reflect the amount and nature of such expenses, costs and disbursements. Notwithstanding the foregoing, the holder of a Class B Bingo License who has contracted with an individual, firm, association or corporation for the operation of bingo games which permits the holder to receive reasonable compensation for the operation of a bingo session net of the costs associated with the operation of the bingo games, including without limitation, building rent, insurance, equipment rental, consulting or management fees, employee expense, utilities, janitorial services, bingo prizes or gifts and the like, shall only be required to maintain a copy of such contract and provide a copy of same to the Sheriff upon request.

(c) All records, receipts, accounts and/or lists required to be kept and maintained hereunder shall be open to inspection by the Sheriff, or his authorized agents or representatives, during reasonable business hours.

(d) All locations at which bingo games are being held by a license holder, or at which a license holder intends to conduct bingo games, shall be open to the Sheriff, or his authorized representatives, during all times at which bingo games are being conducted and during all other reasonable business hours.

(e) On or before April 15, 2005, and on or before April 15th of each calendar year thereafter, each license holder who held a license for all or any part of the preceding calendar year shall file with the Sheriff a verified copy of all records, receipts, accounts and/or lists required to be kept or maintained hereunder relating to the operation of bingo games for said previous calendar year.

Section 11: Enforcement and Supervision; Rules; Bonds

(a) The Sheriff shall be charged with the duty to and shall enforce and supervise the administration and enforcement of all of the rules, regulations and reporting required hereunder. In addition to these Regulations, the Sheriff shall enforce all applicable criminal and civil laws of the State of Alabama to prevent and discourage any illegal activity.

(b) The Sheriff may require such acceptable sureties and/or bonds that he deems reasonable or necessary to insure proper compliance with these Rules and Regulations and the submission of such acceptable sureties or bonds shall be a condition precedent to the issuance of any license hereunder. The operator and surety or sureties shall be jointly and severally responsible for payment of prizes to winners, said payment to occur no later than the end of the session during which the prize was won.

Section 12: Revocation of Licenses; Appeal

The Sheriff, for good cause shown, may revoke any license issued pursuant hereto if the license holder or any officer, director, agent, employee or member of the license holder, or any person acting in concert with such persons, violates any of the Regulations herein promulgated. Such revocation by the Sheriff shall become effective ten (10) days after written notice of such revocation has been delivered by the Sheriff, or his authorized representative, to any person named in the license application pursuant to Section 4, subsections (c)(4) and (c)(5) hereunder, or such other person as may be involved in the operation of bingo pursuant hereto, unless the license holder shall make a written request for a hearing as to such revocation to the Macon County Commission within said ten (10) day period. Upon such request for hearing, the Commission shall hold a hearing upon such revocation, subject to rules and regulations for the conduct of meetings and hearings before such Commission, at its next regularly scheduled meeting, or specially called meeting for the purpose of such hearing. Upon such hearing the rendering of a decision adverse to the license holder shall result in the immediate revocation of the subject license. Following a hearing and rendition of an opinion by the Commission upon revocation of a license issued hereunder, either party to said hearing may appeal the same to the Circuit Court of Macon County, Alabama and may request a trial by jury. Pending appeal to the Circuit Court hereunder, the revoked license shall remain revoked until and unless the Circuit Court shall order the same reinstated and shall set a reasonable bond to assure complete compliance with all Rules and Regulations promulgated hereunder pending such appeal.

Section 13: Effect of Revocation

The holder of any license issued pursuant hereto which shall be revoked as herein set out shall return such license to the Sheriff on or before the effective date of such revocation and whether returned or not such license shall be void and not valid beyond the effective date of revocation thereof unless such revocation shall be extended by appeal as provided hereunder. A license holder whose license is revoked in consequence of a violation of any rule or regulation promulgated herein, or other rule or regulation promulgated hereunder, shall be ineligible to apply for or have issued to it another license hereunder for a period of one (1) year after the effective date of such revocation. Nor shall any license be issued to any organization which is directed or controlled by persons listed in the application for license filed pursuant to Section 4, subsections (c)(4) and (c)(5) hereof in regard to the revoked license or to any organization of which the membership is substantially the same as any organization whose license has been revoked hereunder, for a period of one (1) year after the effective date of such revocation.

Section 14: Appeal of Denial of License

Any nonprofit organization whose application for a license hereunder shall he denied by the Sheriff pursuant to these Regulations shall have the right to appeal such denial to the Macon County Commission and to the Circuit Court of Macon County in the same manner as an appeal of a revocation of a license issued hereunder may be appealed pursuant hereto provided, however, that such organization shall not operate any bingo game until such application shall have been granted, and a license issued, pursuant to any order of the said Commission or Court.

Section 15: Severability

The provisions hereto and the Regulations promulgated hereunder are severable. If any part hereof shall be declared invalid or unconstitutional, such declaration shall not affect any parts hereof which shall remain.

Section 16: Amendments

The Sheriff reserves the right to amend these Regulations from time to time as necessary, but no amendments shall be effective unless in writing and signed by the Sheriff.

Issued this the 5th day of December, 2003.

David M. Warren
Sheriff of Macon County, Alabama

EXHIBIT 6

FIRST AMENDED AND RESTATED RULES AND REGULATIONS FOR THE LICENSING AND OPERATION OF BINGO GAMES IN MACON COUNTY, ALABAMA

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MACON COUNTY BINGO REGULATIONS

The following First Amended and Restated Rules and Regulations For the Licensing and Operation of Bingo Games in Macon County (hereinafter sometimes referred to as "Rules," "Regulations" or "Rules and Regulations") are hereby promulgated by David M. Warren, Sheriff of Macon County, to regulate the issuance of permits or licenses for and the operation of bingo games by certain nonprofit organizations in Macon County, Alabama pursuant to Act. No. 2003-124, Regular Session, 2003, authorizing a referendum on an amendment of the Constitution of Alabama which said referendum was approved by the voters on November 4, 2003. It is the purpose of these First Amended and Restated Rules and Regulations to fund and provide for appropriate oversight and regulation of bingo in Macon County, to preserve and promote the integrity of the operation of bingo games and to protect the nonprofit organizations that are or may become licensed under these Regulations and whose valuable services are supported and funded in part by the conduct of bingo in this county.

Section 1: Definitions

As used herein the following words shall have the following meanings as described herein, unless the context clearly indicates otherwise:

(a) "Bingo" or "Bingo games" shall mean any game of chance known as bingo, including any bingo game permitted by federal law, (whether or not electronic, computer, or other technologic aids are used in connection therewith) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations, and which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined, and in which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards. Nothing herein is intended to prohibit the award of interim or consolation prizes. Electronic, computer or other technologic aids include any machine or device that assists a player or the playing of a bingo game; broadens the participation levels in a common game; facilitates communication between and among bingo locations; or allows players to play a game with or against other players rather than with or against a machine. Examples of electronic, computer or other technologic aids include, but are not limited to, dispensers, readers, telephones, cables, televisions, screens, satellites, bingo blowers, electronic player stations, electronic cards for participants in bingo games, player terminals, central servers containing random number generators for remote player terminals and video displays providing game results in different display modes.

(b) "Person" shall mean any human being, corporation, partnership, association or other legal entity of any kind whatsoever.

(c) "Sheriff" shall mean the Sheriff of Macon County, Alabama. Under the Rules and Regulations herein, the Sheriff may designate or otherwise authorize persons of the Macon County Sheriff's Office to perform various duties of the Sheriff set forth herein.

(d) "Nonprofit organization" shall mean a bona fide organization that is active and in good standing for charitable, educational, or other lawful purposes which operates without profit to its members and/or which has been classified by the Internal Revenue Service as a tax exempt organization.

(e) "License holder" shall mean any nonprofit organization that has been issued a bingo license by the Sheriff pursuant to these Regulations.

(f) "Location" shall mean a building, hall, enclosure, room, or outdoor area that complies with all federal, state and local laws and applicable building and fire codes.

(g) "Class A Bingo License" shall mean a license issued to an applicant who desires to operate paper card bingo only at a qualified location.

(h) "Class B Bingo License" shall mean a license issued to an applicant who desires to operate any and all games of bingo as defined hereinabove, at a qualified location.

(i) "Qualified location" for the holder of a Class A Bingo License shall mean a location, as defined above, which has been inspected and approved by the Sheriff for the conduct of bingo games.

(j) "Qualified location" for the holder of a Class B Bingo License shall mean a location, as defined above, which has been inspected and approved by the Sheriff for the conduct of bingo games and other lawful activities and for which the license applicant shall submit satisfactory evidence that the location has in place the following at all times that any bingo games are being conducted or operated: (i) public liability insurance in an amount not less than $5,000,000; (ii) if liquor is served, liquor liability insurance in the amount of not less than $1,000,000; (iii) adequate parking for patrons and employees; (iv) onsite security as prescribed by the Sheriff; (v) onsite first aid personnel as prescribed by the Sheriff; (vi) cash or surety bond in an amount not less than $1,000,000; (vii) such accounting procedures, controls and security monitoring as necessary to preserve and promote the integrity of the operation of bingo games and to ensure the protection of the charitable license holder and its patrons; (viii) satisfactory evidence that the owner or owners of the location paid at least$15,000,000 for the land, building and other capital improvements (before depreciation) comprising said location; (ix) satisfactory evidence that the location is fully compliant with the Americans with Disabilities Act ("ADA"); and (x) satisfactory evidence that the owner or owners of such location have been residents of the State of Alabama for at least three (3) years or, if the owner is a partnership, association, corporation, limited liability company, or other business entity, satisfactory evidence that those partners, members, or stockholders of such entity that own collectively at least two-thirds (2/3) of the voting rights and equity interests of such entity, are individuals that have been residents of the State of Alabama for at least three (3) years.

(k) "Bingo session" shall mean a consecutive period of time up to 24 consecutive hours during which bingo is played on as many as seven (7) days in a given week. A license holder shall not be limited in the number of bingo sessions it operates during any 24 hour period.

Section 2: Operation of Bingo Games in Macon County

The operation of bingo games for prizes or money by nonprofit organizations, as defined herein, shall be allowed in Macon County, pursuant to Amendment No. 744 to the Constitution of Alabama and Act No. 2003-124, provided that the nonprofit organization shall first obtain a bingo license (Class A or B) as set out herein, and abide by all of the Regulations duly promulgated by the Sheriff. No Class B Licensee shall be authorized to operate bingo at any qualified location, as defined herein, unless a minimum of fifteen (15) applicants shall first obtain Class B Licenses for such location. This restriction shall be noted on any Class B License issued effective as of the date of issuance of these First Amended and Restated Rules and Regulations.

Section 3: Bingo License Required

No nonprofit organization, as defined herein, shall be allowed to operate a bingo game unless the Sheriff first issues a license to said organization authorizing it to do so. In the event of any controversy as to whether or not a game of chance or activity constitutes a bingo game, as defined herein, for which a license may be issued, the decision of the Sheriff shall control, subject to the rights of appeal as set out herein. The license described herein shall be in a form designated by the Sheriff and shall be in addition to, and not in lieu of any other permits or licenses which may be required by law, and no bingo game shall be operated until such time as all required licenses or permits have been obtained. A license holder may hold only one license and that license shall be valid for only one location in Macon County, Alabama. A license is not assignable or transferable and shall become automatically void upon the change of name, dissolution, loss of charter, or, if the license holder is a tax exempt organization under the federal income tax laws, the loss of exemption from taxation under the Internal Revenue Code.

Section 4: Application for License; Submission; Form; Contents

(a) Any nonprofit organization, as defined herein, desiring to obtain a license to operate bingo games hereunder shall make application to the Sheriff on forms prescribed by the Sheriff and shall pay an annual fee of $250.00 for Class A Bingo Licenses and $1,000.00 for Class B Bingo Licenses. Such license shall expire and become automatically void on December 31 of the calendar year for which it is issued, except that any licenses issued during 2003 shall not expire until December 31, 2004. Renewal applications shall be filed with the Sheriff at least forty-five (45) days prior to January 1 of each calendar year and shall be on forms prescribed by the Sheriff. Renewal applications shall be subject to the same application fee as provided for an original application and shall contain the same information as required in an original application. Should fifteen (15) or more Class B Bingo License holders contract in a given calendar year with the owner of a Class B qualified location, the owner of said Class B qualified location shall pay a business license fee ("Operator's License Fee") of $250,000 at the time the Class B Bingo License is issued or renewed. In no event shall more than one Operator's License Fee be paid by the owner of a Class B qualified location in any given year.

(b) The Sheriff shall refuse to grant a bingo license or renewal to any applicant qualified hereunder unless and until the applicant fully provides the information required hereunder, such being provided in a form and in sufficient detail to satisfy the Sheriff of its validity and sufficiency. The Sheriff shall have complete discretion to require any reasonable confirming documentation as to any information required hereunder and shall have a reasonable time to check or confirm by any method available to him the accuracy or validity of any information provided hereunder.

(c) Each application for a bingo license or renewal thereof shall contain the following information and exhibits:

(1) The date of incorporation or other evidence of inception showing existence by the organization for the prescribed period of time.

(2) A copy of the charter, certificate of incorporation, by-laws, or other evidence of legal existence of the organization.

(3) When applicable, a copy of the letter ruling or tax exempt determination letter from the Internal Revenue Service or other proof deemed acceptable by the Sheriff verifying the tax exempt status of the organization named in the application or the parent organization of which the same is a qualified branch, chapter, lodge or post.

(4) The names and residence addresses of each of the officers and directors of the organization, as well as the names and addresses of any members or persons who shall be in charge of or have control over the operation or promotion of bingo games.

(5) The names and addresses of any persons, organizations, or other entities which shall act as sureties for the applicant or to which the applicant is financially indebted in regard to the operation of bingo games.

(6) The exact physical location at which the applicant will conduct the bingo games and if the premises on which the games are to be conducted are not owned by the applicant, the names and addresses of the owners thereof and a copy of all rental, lease, consulting or other agreements with the said owners regarding the use of the premises for the operation of the bingo games.

(7) A statement listing all convictions, if any, for criminal offenses, other than minor traffic offenses, of each of the persons for whom names are required in subsections (4), (5), and (6) above.

Section 5: Issuance of License

Upon receipt of a fully completed and documented application for a license meeting all of the requirements set out herein, the Sheriff shall make such investigation as he may deem necessary or proper of the qualifications of each applicant as required herein and the truth and veracity of the information contained or attached to the application and after making such investigation and after being first satisfied that all qualifications and requirements as set out herein the

Sheriff shall issue such license to said applicant upon the terms and conditions herein set forth. As part of said investigation, any person named in paragraphs 4, 5, 6 of Section 4(c) herein may be required to furnish a consent for background and criminal history check.

A Class A Bingo License shall be issued to an applicant who desires to operate paper card bingo only at a qualified location for the holder of a Class A License. A Class B Bingo License shall be issued to an applicant who desires to operate any and all games of bingo, as defined hereinabove, at a qualified location for the holder of a Class B License.

Section 6: Amendments; Applications; Licenses

(a) An applicant may amend an application filed hereunder to correct or complete the information contained therein or to change said information to comply with a change in circumstances at any time prior to the denial thereof by the Sheriff or the issuance of a license thereon, provided that said amendment be made in or on a form satisfactory to the Sheriff and the applicant pays a substitution or amendment fee of $50.00 per amendment.

(b) A license, once issued, may be amended only upon resubmission of a new, completed application satisfactory to the Sheriff, surrender of the license being amended, and payment of a new annual fee. The Sheriff may deny amendments for any reason for which an original application may be denied.

Section 7: Contents and Display of Licenses

(a) Each bingo license shall contain the name and address of the license holder, the location at which the license holder is permitted to conduct bingo games, the days of the week on which the license holder is permitted to conduct bingo games, the date on which the license was issued and upon which it expires.

(b) The license holder shall display the license conspicuously at the location where bingo is being conducted at all times during the conduct of a bingo game.

Section 8: Fee Proceeds

All monies collected by the Sheriff hereunder shall be paid to the County and placed in a separate bingo account, and deposited in a designated bank located in Macon County within three business days of the collection of said fees. All expenses incurred by the Sheriff in the administration and enforcement hereof shall be paid from this account, with the balance, if any, in said account to be used by the Sheriff for general law enforcement purposes. To the extent allowed by law, in the public interest, the said account shall be subject to audit by the State of Alabama Examiners of Public Accounts.

Section 9: General Regulations; Prizes

(a) No person under the age of 19 years shall be permitted to play any game or games of bingo, nor shall any person under the age of 19 years be permitted to conduct or assist in the operation of any game of bingo.

(b) No bingo license shall be issued to any nonprofit organization, unless the organization shall have been in existence for at least three (3) years in the county immediately prior to the issuance of the permit or license.

(c) Bingo games may be operated on the premises owned or leased by the nonprofit organization operating the bingo games.

(d) A nonprofit organization may enter into a contract with any individual, firm, association or corporation to have the individual or entity operate bingo games or concessions on behalf of the nonprofit organization. A nonprofit organization may pay consulting fees to any individual or entity for any services performed in relation to the operation or conduct of a bingo game.

(e) A nonprofit organization may lend its name or allow its identity to be used by another person or entity in the operating or advertising of a bingo game in which the nonprofit organization is not directly and solely operating the bingo game.

(f) Prizes given by any nonprofit organization for the playing of bingo games shall not exceed the cash amount or gifts of equivalent value set by these Rules and Regulations for any bingo session. For the purposes of these Rules and Regulations, no single prize given by any nonprofit organization, or on its behalf, for the playing of bingo games shall exceed $20,000,000 in cash or equivalent value during any bingo session.

(g) No person who has been convicted of a felony offense, and whose civil rights have not been restored by law, shall conduct or in any way participate in the operation of any bingo game permitted hereunder, nor shall any person who has been convicted of any gambling offense be permitted to conduct or in any way participate in the operation of any bingo game permitted hereunder within 12 months of the conviction.

Section 10: Records and Accounting

Each license holder shall keep and maintain the following records and accounts pertaining to each bingo session conducted by it for at least three (3) years from the date of such session:

(a) An itemized list of all gross receipts for each bingo session, which shall include all receipts derived from the sale of bingo cards, entrance fees, donations, or from any other source whatsoever pertaining to the operation of such session. Notwithstanding the foregoing, the holder of a Class B License who has contracted with an individual, firm, association or corporation for the operation of bingo games shall only report the Class B License holder's gross receipts under such contract and provide a copy of such contract to the Sheriff.

(b) An itemized list of all expenses, costs and disbursements, other than prizes, paid or given as a result of the operation of any bingo session, together with the name and address of each person to whom said expenses, disbursements or consideration was paid or given; a receipt or invoice for all items purchased and for all services rendered; and such other records as will adequately reflect the amount and nature of such expenses, costs and disbursements. Notwithstanding the foregoing, the holder of a Class B Bingo License who has contracted with an individual, firm, association or corporation for the operation of bingo games which permits the holder to receive reasonable compensation for the operation of a bingo session net of the costs associated with the operation of the bingo games, including without limitation, building rent, insurance, equipment rental, consulting or management fees, employee expense, utilities, janitorial services, bingo prizes or gifts and the like, shall only be required to maintain a copy of such contract and provide a copy of same to the Sheriff upon request.

(c) All records, receipts, accounts and/or lists required to be kept and maintained hereunder shall be open to inspection by the Sheriff, or his authorized agents or representatives, during reasonable business hours.

(d) All locations at which bingo games are being held by a license holder, or at which a license holder intends to conduct bingo games, shall be open to the Sheriff, or his authorized representatives, during all times at which bingo games are being conducted and during all other reasonable business hours.

(e) On or before April 15, 2005, and on or before April 15th of each calendar year thereafter, each license holder who held a license for all or any part of the preceding calendar year shall file with the Sheriff a verified copy of all records, receipts, accounts and/or lists required to be kept or maintained hereunder relating to the operation of bingo games for said previous calendar year.

Section 11: Enforcement and Supervision; Rules; Bonds

(a) The Sheriff shall be charged with the duty to and shall enforce and supervise the administration and enforcement of all of the rules, regulations and reporting required hereunder. In addition to these Regulations, the Sheriff shall enforce all applicable criminal and civil laws of the State of Alabama to prevent and discourage any illegal activity.

(b) The Sheriff may require such acceptable sureties and/or bonds which he deems reasonable or necessary to insure proper compliance with these Rules and Regulations and the submission of such acceptable sureties or bonds shall be a condition precedent to the issuance of any license hereunder. The operator and surety or sureties shall be jointly and severally responsible for payment of prizes to winners, said payment to occur no later than the end of the session during which the prize was won.

Section 12: Revocation of Licenses; Appeal

The Sheriff, for good cause shown, may revoke any license issued pursuant hereto if the license holder or any officer, director, agent, employee or member of the license holder, or any person acting in concert with such persons, violates any of the Regulations herein promulgated. Such revocation by the Sheriff shall become effective ten (10) days after written notice of such revocation has been delivered by the Sheriff, or his authorized representative, to any person named in the license application pursuant to Section 4, subsections (c)(4) and (c)(5) hereunder, or such other person as may be involved in the operation of bingo pursuant hereto, unless the license holder shall make a written request for a hearing as to such revocation to the Macon County Commission within said ten (10) day period. Upon such request for hearing, the Commission shall hold a hearing upon such revocation, subject to rules and regulations for the conduct of meetings and hearings before such Commission, at its next regularly scheduled meeting, or specially called meeting for the purpose of such hearing. Upon such hearing the rendering of a decision adverse to the license holder shall result in the immediate revocation of the subject license. Following a hearing and rendition of an opinion by the Commission upon revocation of a license issued hereunder, either party to said hearing may appeal the same to the Circuit Court of Macon County, Alabama and may request a trial by jury. Pending appeal to the Circuit Court hereunder, the revoked license shall remain revoked until and unless the Circuit Court shall order the same reinstated and shall set a reasonable bond to assure complete compliance with all Rules and Regulations promulgated hereunder pending such appeal.

Section 13: Effect of Revocation

The holder of any license issued pursuant hereto which shall be revoked as herein set out shall return such license to the Sheriff on or before the effective date of such revocation and whether returned or not such license shall be void and not valid beyond the effective date of revocation thereof unless such revocation shall be extended by appeal as provided hereunder. A license holder whose license is revoked in consequence of a violation of any rule or regulation promulgated herein, or other rule or regulation promulgated hereunder, shall be ineligible to apply for or have issued to it another license hereunder for a period of one (1) year after the effective date of such revocation. Nor shall any license be issued to any organization which is directed or controlled by persons listed in the application for license filed pursuant to Section 4, subsections (c)(4) and (c)(5) hereof in regard to the revoked license or to any organization of which the membership is substantially the same as any organization whose license has been revoked hereunder, for a period of one (1) year after the effective date of such revocation.

Section 14: Appeal of Denial of License

Any nonprofit organization whose application for a license hereunder shall be denied by the Sheriff pursuant to these Regulations shall have the right to appeal such denial to the Macon County Commission and to the Circuit Court of Macon County in the same manner as an appeal of a revocation of a license issued hereunder may be appealed pursuant hereto provided, however, that such organization shall not operate any bingo game until such application shall have been granted, and a license issued, pursuant to any order of the said Commission or Court.

Section 15: Compliance With Federal Law

All electronic, computer, technologic aids and other devices used in connection with the operation of licensed bingo games conducted in Macon County under the authority of Amendment No. 744 to the Constitution of Alabama and permitted under the Rules and Regulations for the Licensing and Operating of

Bingo Games promulgated by the Sheriff of Macon County are expressly enumerated as lawful and exempted from the provisions of 15 U.S.C. § 1172.

Section 16: Severability

The provisions hereto and the Regulations promulgated hereunder are severable. If any part hereof shall be declared invalid or unconstitutional, such declaration shall not affect any parts hereof which shall remain.

Section 17: Amendments

The Sheriff reserves the right to amend these Regulations from time to time as necessary, but no amendments shall be effective unless in writing and signed by the Sheriff.

Section 18: Effective Date.

The effective date of these First Amended and Restated Rules and Regulations is June 2, 2004, except, however, the effective date for the increased business license fee for the owner of a Class B qualified location as set forth in Section 4(a) shall be January 1, 2005, and thereafter, and the effective date for the provisions of new Section 15 is the date the Rules and Regulations For the Licensing and Operation of Bingo Games in Macon County were originally enacted by the Sheriff.

Issued this the 2nd day of June, 2004.

David M. Warren
Sheriff of Macon County, Alabama

COMMENTARY TO
AMENDED AND RESTATED BINGO REGULATIONS

Having had the opportunity to evaluate and regulate the licensing and operation of bingo games in Macon County, Alabama, pursuant to Amendment No. 774 of the Constitution of Alabama, the Macon County Bingo Regulations are hereby amended and restated in their entirety in order to maintain, protect and enhance the integrity of, the viability of and the economic benefits derived from, bingo games for the eligible nonprofit organizations in Macon County that offer material charitable and educational purposes in Macon County, Alabama. The following changes have been made to the Macon County Bingo Regulations:

Section 1(d): The definition "Nonprofit organization" is hereby amended to add the phrase "that is active and in good standing" in order to protect the truly viable charities in Macon County, Alabama, from a nonprofit organization that does not provide material charitable or educational benefits to Macon County and/or is an otherwise dormant, inactive nonprofit organization used primarily as a subterfuge to obtain a bingo license to operate games of bingo either directly or by contract with a third party individual or business entity.

Section 1(j): The capital investment amount required for a "qualified location" for the holder of a Class B License is hereby increased to $15,000,000 and limited to actual cost in order to require any qualified location to prove a significant investment and financial commitment to Macon County prior to becoming a "qualified location". Further, the capital investment requirement is restricted to actual cost, not based on any valuation, in order to avoid any potential dispute or abuse based on any real estate appraisal submitted with an application.

Section 2: In order to maximize economic benefits to numerous nonprofit organizations in Macon County and to further avoid the potential abuse of a third party individual or business entity from using one nonprofit organization (or a minimal number) as a "front" to operate bingo games under a Class B License, the last two (2) sentences have been added to Section 2 of the Regulations. By requiring at least fifteen (15) nonprofit organizations to obtain Class B Licenses prior to authorizing such a bingo operation at a qualified location, assurance is provided that a large representative group of charities is afforded the opportunity to obtain the economic benefits associated with a Class B License.

Section 4(a): The license for a Class B qualified location is hereby increased to $250,000, effective as of January 1, 2005. The license fee increase should provide additional funding for the Sheriff's Department to support, as well as retain, existing and increased law enforcement personnel to regulate and supervise the operation of bingo games in Macon County to preserve and protect the integrity of the bingo games for customers and for the nonprofit organizations.

Section 9(f): The single prize limitation has been increased to provide greater attraction and marketing of the bingo games in order to enhance economic benefits to the charities in Macon County, Alabama.

Section 15: A new Section 15 is hereby added (with existing Sections 15 and 16 being renumbered Section 16 and 17, respectively) to incorporate into the existing Regulations the federal protection of transportation of gaming equipment from one state to another where such gaming activity is legalized in the state of final destination for such gaming equipment.

Section 18: The new Section 18 provides that the First Amended and Restated Rules and Regulations are effective as of June 2, 2004, except the increased business license fee for the owner of a Class B qualified location shall be effective as of January 1, 2005, and thereafter, and the provisions of new Section 15 are effective as of the date the Rules and Regulations were originally enacted by the Sheriff.

EXHIBIT 7

FIRST AMENDED AND RESTATED RULES AND REGULATIONS FOR THE LICENSING AND OPERATION OF BINGO GAMES IN MACON COUNTY, ALABAMA

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MACON COUNTY BINGO REGULATIONS

The following First Amended and Restated Rules and Regulations For the Licensing and Operation of Bingo Games in Macon County (hereinafter sometimes referred to as "Rules," "Regulations" or "Rules and Regulations") are hereby promulgated by David M. Warren, Sheriff of Macon County, to regulate the issuance of permits or licenses for and the operation of bingo games by certain nonprofit organizations in Macon County, Alabama pursuant to Act. No. 2003-124, Regular Session, 2003, authorizing a referendum on an amendment of the Constitution of Alabama which said referendum was approved by the voters on November 4, 2003. It is the purpose of these First Amended and Restated Rules and Regulations to fund and provide for appropriate oversight and regulation of bingo in Macon County, to preserve and promote the integrity of the operation of bingo games and to protect the nonprofit organizations that are or may become licensed under these Regulations and whose valuable services are supported and funded in part by the conduct of bingo in this county.

Section 1: Definitions

As used herein the following words shall have the following meanings as described herein, unless the context clearly indicates otherwise:

(a) "Bingo" or "Bingo games" shall mean any game of chance known as bingo, including any bingo game permitted by federal law, (whether or not electronic, computer, or other technologic aids are used in connection therewith) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations, and which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined; and in which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards. Nothing herein is intended to prohibit the award of interim or consolation prizes. Electronic, computer or other technologic aids include any machine or device that assists a player or the playing of a bingo game; broadens the participation levels in a common game; facilitates communication between and among bingo locations; or allows players to play a game with or against other players rather than with or against a machine. Examples of electronic, computer or other technologic aids include, but are not limited to, dispensers, readers, telephones, cables, televisions, screens, satellites, bingo blowers, electronic player stations, electronic cards for participants in bingo games, player terminals, central servers containing random number generators for remote player terminals and video displays providing game results in different display modes.

(b) "Person" shall mean any human being, corporation, partnership, association or other legal entity of any kind whatsoever.

(c) "Sheriff" shall mean the Sheriff of Macon County, Alabama. Under the Rules and Regulations herein, the Sheriff may designate or otherwise authorize persons of the Macon County Sheriff's Office to perform various duties of the Sheriff set forth herein.

(d) "Nonprofit organization" shall mean a bona fide organization that is active and in good standing for charitable, educational, or other lawful purposes which operates without profit to its members and/or which has been classified by the Internal Revenue Service as a tax exempt organization.

(e) "License holder" shall mean any nonprofit organization that has been issued a bingo license by the Sheriff pursuant to these Regulations.

(f) "Location" shall mean a building, hall, enclosure, room, or outdoor area that complies with all federal, state and local laws and applicable building and fire codes.

(g) "Class A Bingo License" shall mean a license issued to an applicant who desires to operate paper card bingo only at a qualified location.

(h) "Class B Bingo License" shall mean a license issued to an applicant who desires to operate any and all games of bingo as defined hereinabove, at a qualified location.

(i) "Qualified location" for the holder of a Class A Bingo License shall mean a location, as defined above, which has been inspected and approved by the Sheriff for the conduct of bingo games.

(j) "Qualified location" for the holder of a Class B Bingo License shall mean a location, as defined above, which has been inspected and approved by the Sheriff for the conduct of bingo games and other lawful activities and for which the license applicant shall submit satisfactory evidence that the location has in place the following at all times that any bingo games are being conducted or operated: (i) public liability insurance in an amount not less than $5,000,000; (ii) if liquor is served, liquor liability insurance in the amount of not less than $1,000,000; (iii) adequate parking for patrons and employees; (iv) onsite security as prescribed by the Sheriff; (v) onsite first aid personnel as prescribed by the Sheriff; (vi) cash or surety bond in an amount not less than $1,000,000; (vii) such accounting procedures, controls and security monitoring as necessary to preserve and promote the integrity of the operation of bingo games and to ensure the protection of the charitable license holder and its patrons; (viii) satisfactory evidence that the owner or owners of the location paid at least$15,000,000 for the land, building and other capital improvements (before depreciation) comprising said location; (ix) satisfactory evidence that the location is fully compliant with the Americans with Disabilities Act ("ADA"); and (x) satisfactory evidence that the owner or owners of such location have been residents of the State of Alabama for at least three (3) years or, if the owner is a partnership, association, corporation, limited liability company, or other business entity, satisfactory evidence that those partners, members, or stockholders of such entity that own collectively at least two-thirds (2/3) of the voting rights and equity interests of such entity, are individuals that have been residents of the State of Alabama for at least three (3) years.

(k) "Bingo session" shall mean a consecutive period of time up to 24 consecutive hours during which bingo is played on as many as seven (7) days in a given week. A license holder shall not be limited in the number of bingo sessions it operates during any 24 hour period.

Section 2: Operation of Bingo Games in Macon County

The operation of bingo games for prizes or money by nonprofit organizations, as defined herein, shall be allowed in Macon County, pursuant to Amendment No. 744 to the Constitution of Alabama and Act No. 2003-124, provided that the nonprofit organization shall first obtain a bingo license (Class A or B) as set out herein, and abide by all of the Regulations duly promulgated by the Sheriff. No Class B Licensee shall be authorized to operate bingo at any qualified location, as defined herein, unless a minimum of fifteen (15) applicants shall first obtain Class B Licenses for such location. This restriction shall be noted on any Class B License issued effective as of the date of issuance of these First Amended and Restated Rules and Regulations.

Section 3: Bingo License Required

No nonprofit organization, as defined herein, shall be allowed to operate a bingo game unless the Sheriff first issues a license to said organization authorizing it to do so. In the event of any controversy as to whether or not a game of chance or activity constitutes a bingo game, as defined herein, for which a license may be issued, the decision of the Sheriff shall control, subject to the rights of appeal as set out herein. The license described herein shall be in a form designated by the Sheriff and shall be in addition to and not in lieu of any other permits or licenses which may be required by law, and no bingo game shall be operated until such time as all required licenses or permits have been obtained. A license holder may hold only one license and that license shall be valid for only one location in Macon County, Alabama. A license is not assignable or transferable and shall become automatically void upon the change of name, dissolution, loss of charter, or, if the license holder is a tax exempt organization under the federal income tax laws, the loss of exemption from taxation under the Internal Revenue Code.

Section 4: Application for License; Submission; Form; Contents

(a) Any nonprofit organization, as defined herein, desiring to obtain a license to operate bingo games hereunder shall make application to the Sheriff on forms prescribed by the Sheriff and shall pay an annual fee of $250.00 for Class A Bingo Licenses and $1,000.00 for Class B Bingo Licenses. Such license shall expire and become automatically void on December 31 of the calendar year for which it is issued, except that any licenses issued during 2003 shall not expire until December 31, 2004. Renewal applications shall be filed with the Sheriff at least forty-five (45) days prior to January 1 of each calendar year and shall be on forms prescribed by the Sheriff. Renewal applications shall be subject to the same application fee as provided for an original application and shall contain the same information as required in an original application. Should fifteen (15) or more Class B Bingo License holders contract in a given calendar year with the owner of a Class B qualified location, the owner of said Class B qualified location shall pay a business license fee ("Operator's License Fee") of $250,000 at the time the Class B Bingo License is issued or renewed. In no event shall more than one Operator's License Fee be paid by the owner of a Class B qualified location in any given year.

(b) The Sheriff shall refuse to grant a bingo license or renewal to any applicant qualified hereunder unless and until the applicant fully provides the information required hereunder, such being provided in a form and in sufficient detail to satisfy the Sheriff of its validity and sufficiency. The Sheriff shall have complete discretion to require any reasonable confirming documentation as to any information required hereunder and shall have a reasonable time to check or confirm by any method available to him the accuracy or validity of any information provided hereunder.

(c) Each application for a bingo license or renewal thereof shall contain the following information and exhibits:

(1) The date of incorporation or other evidence of inception showing existence by the organization for the prescribed period of time.

(2) A copy of the charter, certificate of incorporation, by-laws, or other evidence of legal existence of the organization.

(3) When applicable, a copy of the letter ruling or tax exempt determination letter from the Internal Revenue Service or other proof deemed acceptable by the Sheriff verifying the tax exempt status of the organization named in the application or the parent organization of which the same is a qualified branch, chapter, lodge or post.

(4) The names and residence addresses of each of the officers and directors of the organization, as well as the names and addresses of any members or persons who shall be in charge of or have control over the operation or promotion of bingo games.

(5) The names and addresses of any persons, organizations, or other entities which shall act as sureties for the applicant or to which the applicant is financially indebted in regard to the operation of bingo games.

(6) The exact physical location at which the applicant will conduct the bingo games and if the premises on which the games are to be conducted are not owned by the applicant, the names and addresses of the owners thereof and a copy of all rental, lease, consulting or other agreements with the said owners regarding the use of the premises for the operation of the bingo games.

(7) A statement listing all convictions, if any, for criminal offenses, other than minor traffic offenses, of each of the persons for whom names are required in subsections (4), (5), and (6) above.

Section 5: Issuance of License

Upon receipt of a fully completed and documented application for a license meeting all of the requirements set out herein, the Sheriff shall make such investigation as he may deem necessary or proper of the qualifications of each applicant as required herein and the truth and veracity of the information contained or attached to the application and after making such investigation and after being first satisfied that all qualifications and requirements as set out herein the Sheriff shall issue such license to said applicant upon the terms and conditions herein set forth. As part of said investigation, any person named in paragraphs 4, 5, 6 of Section 4(c) herein may be required to furnish a consent for background and criminal history check.

A Class A Bingo License shall be issued to an applicant who desires to operate paper card bingo only at a qualified location for the holder of a Class A License. A Class B Bingo License shall be issued to an applicant who desires to operate any and all games of bingo, as defined hereinabove, at a qualified location for the holder of a Class B License.

Section 6: Amendments; Applications; Licenses

(a) An applicant may amend an application filed hereunder to correct or complete the information contained therein or to change said information to comply with a change in circumstances at any time prior to the denial thereof by the Sheriff or the issuance of a license thereon, provided that said amendment be made in or on a form satisfactory to the Sheriff and the applicant pays a substitution or amendment fee of $50.00 per amendment.

(b) A license, once issued, may be amended only upon resubmission of a new, completed application satisfactory to the Sheriff, surrender of the license being amended, and payment of a new annual fee. The Sheriff may deny amendments for any reason for which an original application may be denied.

Section 7: Contents and Display of Licenses

(a) Each bingo license shall contain the name and address of the license holder, the location at which the license holder is permitted to conduct bingo games, the days of the week on which the license holder is permitted to conduct bingo games, the date on which the license was issued and upon which it expires.

(b) The license holder shall display the license conspicuously at the location where bingo is being conducted at all times during the conduct of a bingo game.

Section 8: Fee Proceeds

All monies collected by the Sheriff hereunder shall be paid to the County and placed in a separate bingo account, and deposited in a designated bank located in Macon County within three business days of the collection of said fees. All expenses incurred by the Sheriff in the administration and enforcement hereof shall be paid from this account, with the balance, if any, in said account to be used by the Sheriff for general law enforcement purposes. To the extent allowed by law, in the public interest, the said account shall be subject to audit by the State of Alabama Examiners of Public Accounts.

Section 9: General Regulations; Prizes

(a) No person under the age of 19 years shall be permitted to play any game or games of bingo, nor shall any person under the age of 19 years be permitted to conduct or assist in the operation of any game of bingo.

(b) No bingo license shall be issued to any nonprofit organization, unless the organization shall have been in existence for at least three (3) years in the county immediately prior to the issuance of the permit or license.

(c) Bingo games may be operated on the premises owned or leased by the nonprofit organization operating the bingo games.

(d) A nonprofit organization may enter into a contract with any individual, firm, association or corporation to have the individual or entity operate bingo games or concessions on behalf of the nonprofit organization. A nonprofit organization may pay consulting fees to any individual or entity for any services performed in relation to the operation or conduct of a bingo game.

(e) A nonprofit organization may lend its name or allow its identity to be used by another person or entity in the operating or advertising of a bingo game in which the nonprofit organization is not directly and solely operating the bingo game.

(f) Prizes given by any nonprofit organization for the playing of bingo games shall not exceed the cash amount or gifts of equivalent value set by these Rules and Regulations for any bingo session. For the purposes of these Rules and Regulations, no single prize given by any nonprofit organization, or on its behalf, for the playing of bingo games shall exceed $20,000,000 in cash or equivalent value during any bingo session.

(g) No person who has been convicted of a felony offense, and whose civil rights have not been restored by law, shall conduct or in any way participate in the operation of any bingo game permitted hereunder, nor shall any person who has been convicted of any gambling offense be permitted to conduct or in any way participate in the operation of any bingo game permitted hereunder within 12 months of the conviction.

Section 10: Records and Accounting

Each license holder shall keep and maintain the following records and accounts pertaining to each bingo session conducted by it for at least three (3) years from the date of such session:

(a) An itemized list of all gross receipts for each bingo session, which shall include all receipts derived from the sale of bingo cards, entrance fees, donations, or from any other source whatsoever pertaining to the operation of such session. Notwithstanding the foregoing, the holder of a Class B License who has contracted with an individual, firm, association or corporation for the operation of bingo games shall only report the Class B License holder's gross receipts under such contract and provide a copy of such contract to the Sheriff.

(b) An itemized list of all expenses, costs and disbursements, other than prizes, paid or given as a result of the operation of any bingo session, together with the name and address of each person to whom said expenses, disbursements or consideration was paid or given; a receipt or invoice for all items purchased and for all services rendered; and such other records as will adequately reflect the amount and nature of such expenses, costs and disbursements. Notwithstanding the foregoing, the holder of a Class B Bingo License who has contracted with an individual, firm, association or corporation for the operation of bingo games which permits the holder to receive reasonable compensation for the operation of a bingo session net of the costs associated with the operation of the bingo games, including without limitation, building rent, insurance, equipment rental, consulting or management fees, employee expense, utilities, janitorial services, bingo prizes or gifts and the like, shall only be required to maintain a copy of such contract and provide a copy of same to the Sheriff upon request.

(c) All records, receipts, accounts and/or lists required to be kept and maintained hereunder shall be open to inspection by the Sheriff, or his authorized agents or representatives, during reasonable business hours.

(d) All locations at which bingo games are being held by a license holder, or at which a license holder intends to conduct bingo games, shall be open to the Sheriff, or his authorized representatives, during all times at which bingo games are being conducted and during all other reasonable business hours.

(e) On or before April 15, 2005, and on or before April 15th of each calendar year thereafter, each license holder who held a license for all or any part of the preceding calendar year shall file with the Sheriff a verified copy of all records, receipts, accounts and/or lists required to be kept or maintained hereunder relating to the operation of bingo games for said previous calendar year.

Section 11: Enforcement and Supervision; Rules; Bonds

(a) The Sheriff shall be charged with the duty to and shall enforce and supervise the administration and enforcement of all of the rules, regulations and reporting required hereunder. In addition to these Regulations, the Sheriff shall enforce all applicable criminal and civil laws of the State of Alabama to prevent and discourage any illegal activity.

(b) The Sheriff may require such acceptable sureties and/or bonds which he deems reasonable or necessary to insure proper compliance with these Rules and Regulations and the submission of such acceptable sureties or bonds shall be a condition precedent to the issuance of any license hereunder. The operator and surety or sureties shall be jointly and severally responsible for payment of prizes to winners, said payment to occur no later than the end of the session during which the prize was won.

Section 12: Revocation of Licenses; Appeal

The Sheriff, for good cause shown, may revoke any license issued pursuant hereto if the license holder or any officer, director, agent, employee or member of the license holder, or any person acting in concert with such persons, violates any of the Regulations herein promulgated. Such revocation by the Sheriff shall become effective ten (10) days after written notice of such revocation has been delivered by the Sheriff, or his authorized representative, to any person named in the license application pursuant to Section 4, subsections (c)(4) and (c)(5) hereunder, or such other person as may be involved in the operation of bingo pursuant hereto, unless the license holder shall make a written request for a hearing as to such revocation to the Macon County Commission within said ten (10) day period. Upon such request for hearing, the Commission shall hold a hearing upon such revocation, subject to rules and regulations for the conduct of meetings and hearings before such Commission, at its next regularly scheduled meeting, or specially called meeting for the purpose of such hearing. Upon such hearing the rendering of a decision adverse to the license holder shall result in the immediate revocation of the subject license. Following a hearing and rendition of an opinion by the Commission upon revocation of a license issued hereunder, either party to said hearing may appeal the same to the Circuit Court of Macon County, Alabama and may request a trial by jury. Pending appeal to the Circuit Court hereunder, the revoked license shall remain revoked until and unless the Circuit Court shall order the same reinstated and shall set a reasonable bond to assure complete compliance with all Rules and Regulations promulgated hereunder pending such appeal.

Section 13: Effect of Revocation

The holder of any license issued pursuant hereto which shall be revoked as herein set out shall return such license to the Sheriff on or before the effective date of such revocation and whether returned or not such license shall be void and not valid beyond the effective date of revocation thereof unless such revocation shall be extended by appeal as provided hereunder. A license holder whose license is revoked in consequence of a violation of any rule or regulation promulgated herein, or other rule or regulation promulgated hereunder, shall be ineligible to apply for or have issued to it another license hereunder for a period of one (1) year after the effective date of such revocation. Nor shall any license be issued to any organization which is directed or controlled by persons listed in the application for license filed pursuant to Section 4, subsections (c)(4) and (c)(5) hereof in regard to the revoked license or to any organization of which the membership is substantially the same as any organization whose license has been revoked hereunder, for a period of one (1) year after the effective date of such revocation.

Section 14: Appeal of Denial of License

Any nonprofit organization whose application for a license hereunder shall be denied by the Sheriff pursuant to these Regulations shall have the right to appeal such denial to the Macon County Commission and to the Circuit Court of Macon County in the same manner as an appeal of a revocation of a license issued hereunder may be appealed pursuant hereto provided, however, that such organization shall not operate any bingo game until such application shall have been granted, and a license issued, pursuant to any order of the said Commission or Court.

Section 15: Compliance With Federal Law

All electronic, computer, technologic aids and other devices used in connection with the operation of licensed bingo games conducted in Macon County under the authority of Amendment No. 744 to the Constitution of Alabama and permitted under the Rules and Regulations for the Licensing and Operating of Bingo Games promulgated by the Sheriff of Macon County are expressly enumerated as lawful and exempted from the provisions of 15 U.S.C. § 1172.

Section 16: Severability

The provisions hereto and the Regulations promulgated hereunder are severable. If any part hereof shall be declared invalid or unconstitutional, such declaration shall not affect any parts hereof which shall remain.

Section 17: Amendments

The Sheriff reserves the right to amend these Regulations from time to time as necessary, but no amendments shall be effective unless in writing and signed by the Sheriff.

Section 18: Effective Date.

The effective date of these First Amended and Restated Rules and Regulations is June 2, 2004, except, however, the effective date for the increased business license fee for the owner of a Class B qualified location as set forth in Section 4(a) shall be January 1, 2005, and thereafter, and the effective date for the provisions of new Section 15 is the date the Rules and Regulations For the Licensing and Operation of Bingo Games in Macon County were originally enacted by the Sheriff.

Issued this the 2nd day of June, 2004.

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David M. Warren
Sheriff of Macon County, Alabama

COMMENTARY TO AMENDED AND RESTATED BINGO REGULATIONS

Having had the opportunity to evaluate and regulate the licensing and operation of bingo games in Macon County, Alabama, pursuant to Amendment No. 774 of the Constitution of Alabama, the Macon County Bingo Regulations are hereby amended and restated in their entirety in order to maintain, protect and enhance the integrity of, the viability of and the economic benefits derived from, bingo games for the eligible nonprofit organizations in Macon County that offer material charitable and educational purposes in Macon County, Alabama. The following changes have been made to the Macon County Bingo Regulations:

Section 1(d): The definition "Nonprofit organization" is hereby amended to add the phrase "that is active and in good standing" in order to protect the truly viable charities in Macon County, Alabama, from a nonprofit organization that does not provide material charitable or educational benefits to Macon County and/or is an otherwise dormant, inactive nonprofit organization used primarily as a subterfuge to obtain a bingo license to operate games of bingo either directly or by contract with a third party individual or business entity.

Section 1(j): The capital investment amount required for a "qualified location" for the holder of a Class B License is hereby increased to $15,000,000 and limited to actual cost in order to require any qualified location to prove a significant investment and financial commitment to Macon County prior to becoming a "qualified location". Further, the capital investment requirement is restricted to actual cost, not based on any valuation, in order to avoid any potential dispute or abuse based on any real estate appraisal submitted with an application.

Section 2: In order to maximize economic benefits to numerous nonprofit organizations in Macon County and to further avoid the potential abuse of a third party individual or business entity from using one nonprofit organization (or a minimal number) as a "front" to operate bingo games under a Class B License, the last two (2) sentences have been added to Section 2 of the Regulations. By requiring at least fifteen (15) nonprofit organizations to obtain Class B Licenses prior to authorizing such a bingo operation at a qualified location, assurance is provided that a large representative group of charities is afforded the opportunity to obtain the economic benefits associated with a Class B License.

Section 4(a): The license for a Class B qualified location is hereby increased to $250,000, effective as of January 1, 2005. The license fee increase should provide additional funding for the Sheriff's Department to support, as well as retain, existing and increased law enforcement personnel to regulate and supervise the operation of bingo games in Macon County to preserve and protect the integrity of the bingo games for customers and for the nonprofit organizations.

Section 9(f): The single prize limitation has been increased to provide greater attraction and marketing of the bingo games in order to enhance economic benefits to the charities in Macon County, Alabama.

Section 15: A new Section 15 is hereby added (with existing Sections 15 and 16 being renumbered Section 16 and 17, respectively) to incorporate into the existing Regulations the federal protection of transportation of gaming equipment from one state to another where such gaming activity is legalized in the state of final destination for such gaming equipment.

Section 18: The new Section 18 provides that the First Amended and Restated Rules and Regulations are effective as of June 2, 2004, except the increased business license fee for the owner of a Class B qualified location shall be effective as of January 1, 2005, and thereafter, and the provisions of new Section 15 are effective as of the date the Rules and Regulations were originally enacted by the Sheriff.